

SCHOOL DISTRICT
OF
TOWNSHIP OF MAURICE RIVER

COMPREHENSIVE ANNUAL
Financial Report

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

or the Fiscal Year Ended June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

Maurice River Township Board of Education

Finance Department

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OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
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MAURICE RIVER TOWNSHIP SCHOOL DISTRICT

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September 25, 2014

Honorable President and
Members of the Board of Education
Maurice River Township School District
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Maurice River Township Public School District for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Maurice River Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Maurice River Township Board of Education and its school constitute the District's reporting entity.

The District is limited in its ability to fund a full range of educational services appropriate to grade levels PK through 8. These limitations in programs and services apply to both regular as well as special education for handicapped children. The District completed the 2013-2014 fiscal year with a June enrollment of 423 students, which is 13 students less than the previous year. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|-------------------------------|--------------------------------------|----------------------------------|
| 2013-14 | 423.0 | (2.34%) |
| 2012-13 | 436.2 | 11.64% |
| 2011-12 | 393.4 | 5.72% |
| 2010-11 | 372.1 | (3.97%) |
| 2009-10 | 387.5 | (2.64%) |
| 2008-09 | 398.0 | .63% |
| 2007-08 | 395.5 | .79% |
| 2006-07 | 392.4 | (3.35)% |
| 2005-06 | 410.8 | 0.17% |
| 2004-05 | 410.1 | (4.43)% |

2. ECONOMIC CONDITION AND OUTLOOK:

Maurice River Township is not experiencing any measurable growth or decline in development or expansion. There are no large businesses located in the Township, but the small cottage industry stores, restaurants, and antique stores continue to thrive. There is some potential for growth at the major intersections drawing traffic to the shore areas. The Township is seeking clean industry in harmony with the environmentally sensitive areas. It is significant to note that the Township is approximately 95 square miles, with about 50% of the land either state-owned or state-managed. This helps promote the appeal for water related activities, conservation activities with the bay area and pristine river ecosystem, and preserves the ruralness and provinciality unique to the Township. There are three prison sites located in the Township, which provide major employment for local residents. A state prison in nearby Fairfield Township provides employment opportunities at that site. The net valuation taxable of Maurice River Township for 2014 is \$300,705,295, which is more than the prior year by \$646,663.

Sand mining was a major industry in the Township through the 1970's, but because of the shift from glass bottles to plastic, the need for sand in glass manufacturing has been in steady decline since that time. Rail service connected to this industry has also declined. Other industry includes several marinas, one shipyard industry, and several cottage stores and restaurants. Developers who are interested in sites in the Township must seek state approval from various regulatory agencies, such as Pinelands, Wetlands, and/or the Department of Environmental Protection.

However, the District continues its "Choice" District status and will receive additional funding for students who choose to participate in this program. The District is hopeful that it will continue to attract choice students, thereby increasing its enrollment and state aid. The school district receives nearly \$2.00 in state aid for every \$1.00 levied by local taxes.

3. MAJOR INITIATIVES:

Maurice River Township School District prepares all students for success at the high school level. Technology, Professional Staff Development, Inter-district Collaboration and N.J. Core Curriculum Content Standards play a major role in this initiative. Technology plays an increasingly important role in the curriculum, including the installation of Smartboard Technology for grades K-8 with laptops and professional development training for all teachers, the creation of three state of the art computer labs; installation of a wireless network, and an IPOD Program. Students may conduct research through controlled access to the Internet, enhancing research and writing skills. In addition to Smartboard Technology, each classroom at the Maurice River Township Elementary School has its own television, VCR and communications system to enhance the curriculum in areas, such as, distance learning, science, geography, and foreign language. The students broadcast daily on the MRT-TV station.

During the 2011-2012 and 2012-2013 school years, the school district purchased and implemented "The Marzano Teaching Evaluation Method", a web-based teacher evaluation program required by the State of New Jersey. During 2013-2014 a new web-based student assessment program was purchased for the implementation of the "RTI" program.

The District was also fortunate enough to purchase new math, language arts, reading, science and social studies texts and resource materials, for implementation in the 2011-2012 and 2012-2013 school years. New desks and chairs were purchased for grades K through 6 and new computers, tables and chairs were purchased for the newly established third computer lab. The District has been chosen to pilot PARCC testing, and is already technologically equipped to handle this new state testing format. A state of the art interior and exterior surveillance system has been installed. The transportation fleet has also been equipped with an updated surveillance system. The Board of Education has succeeded in allocating resources to positively improve student achievement by focusing upon improvements in the delivery of instruction, professional development programs, and providing the most current instructional materials, technology and other resources for its teachers. The district does not need to move in the direction of facility improvement to maintain the functionality of its current facility.

The district provides adequate medical services and student services, including guidance and counseling, programs for at-risk, special education and Title One students, and has a pre-school program. Special education services are provided through self-contained settings, In and Out of class placements and In and Out of class support. The district has trained two staff members in the FAST hands-on science program, for grades five through eight. Grades K-4 use a hands-on program. Peer mediation and conflict resolution are taught through leadership training activities in an on-going manner through the school year.

The Board of Education has established a mission and philosophy for the district and promotes a global, multi-curriculum. The mission includes the concept of community as it relates to students. The Board of Education attempts to plan budgets in a prudent fiscal manner, but the unknown variables are the future of school funding from the State of New Jersey and the payments of tuition to the Millville School District.

The District's "Choice" status has partially offset the effect of these variables. The limitations being placed on Choice are concerning.

In summary, the district, despite economic constraints, has succeeded in providing a state of the art innovative, integrated curriculum, with current technology and resources. The provision of these resources has positively and beneficially impacted student achievement. The district looks forward to continuing its "Choice District" status to increase enrollment and ensure its future existence.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

On January 1, 1998 the District incurred bond indebtedness for \$2,994,000 for a facility project to be amortized over the next 25 years. The balance in bonds payable at June 30, 2014 is \$1,165,000.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, CPA, RMA of the accounting firm of Nightlinger, Colavita, and Volpa, P.A., was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Maurice River Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

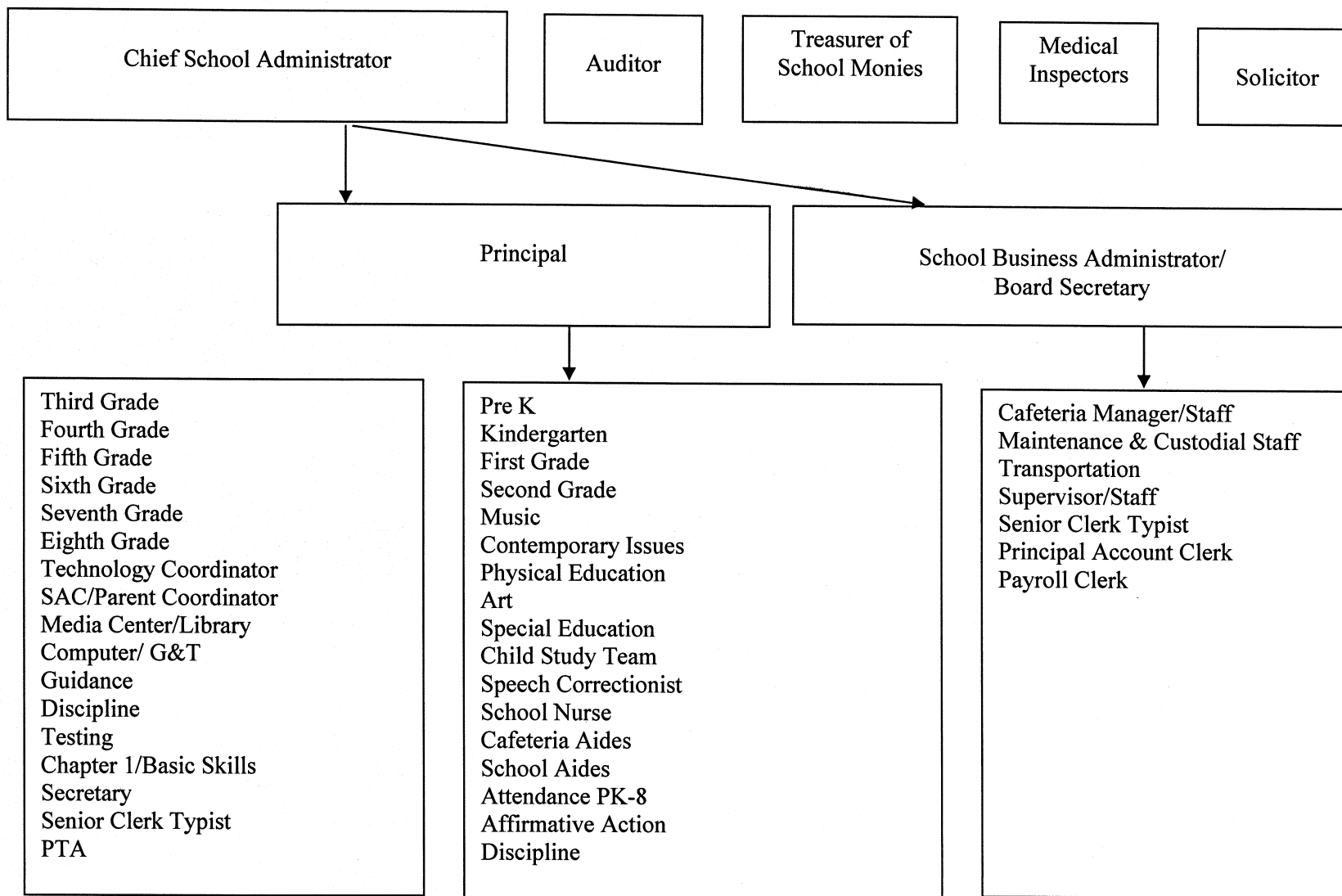


Mr. Walter Kappeler, Jr., Superintendent of Schools



Patricia Powell, School Business Administrator/Board Secretary

Township of Maurice River School District
Organizational Chart



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PORT ELIZABETH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2014

| <u>MEMBERS OF THE BOARD OF EDUCATION</u> | <u>TERM EXPIRES</u> |
|---|--------------------------------|
| Robert Davidson, President | 2016 |
| Donna Justis, Vice President | 2015 |
| Charles Ciaurelli | 2014 |
| Crystal Devlin | 2015 |
| Virginia Hess | 2014 |
| Gary Stites | 2014 |
| Penny Wells | 2015 |

OTHER OFFICIALS

Mr. Walter Kappeler, Jr., Chief School Administrator

Patricia A. Powell, School Business Administrator/Board Secretary

Sharon Lamb, Custodian of School Monies

Frank DiDomenico, Esq., Solicitor

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Frank DiDomenico, Esquire
8 LaSalle Drive
Vineland, NJ 08360

OFFICIAL DEPOSITORY

Bank of America
Commerce and Laurel Streets
Bridgeton, NJ 08302

Branch Offices in Millville, NJ 08332

INSURANCE AGENT

Conner Strong & Buckelew Companies, Inc.
The Porch Agency
123 Rosenhayn Avenue
Bridgeton, New Jersey 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

September 25, 2014

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Township of Maurice River School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maurice River Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 55 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maurice River Township Board of Education's, financial statements as a whole. The accompanying introductory section, and other supplementary information such as the combining fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by United States Office of Management and Budget, Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, respectively and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, long-term debt schedules and expenditures of federal awards and state assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2014 on our consideration of the Maurice River Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read "Raymond Colavita", written in a cursive style.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
MAURICE RIVER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

UNAUDITED

The discussion and analysis of Maurice River Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- ❖ General revenues accounted for \$7,605,362 in revenue or 88.4% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,002,797 or 11.6% percent to total revenues of \$8,608,159.
- ❖ Total net position of governmental activities decreased by a net amount of \$356,612 in the areas of cash and cash equivalents and capital assets.
- ❖ The School District had \$8,964,771 in expenses of which \$1,002,797 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and Federal and State Aid not restricted) were not adequate to provide for these programs.
- ❖ The General Governmental Fund had \$7,846,724 in revenues, \$8,175,291 in expenditures and \$25,000 in transfers to the Food Service Fund. The General Fund's balance decreased \$353,567 over 2013. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Maurice River Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Maurice River Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a summary of the School District's net position for the years ended in 2014 and 2013.

| Table 1 Net Position | | | |
|---|----|-----------|--------------|
| | | 2014 | 2013 |
| Assets | | | |
| Current and Other Assets | \$ | 1,121,393 | \$ 1,468,354 |
| Capital Assets, Net | | 2,988,754 | 3,113,983 |
| Total Assets | | 4,110,147 | 4,582,337 |
| Liabilities | | | |
| Long-term Liabilities | | 1,230,697 | 1,360,260 |
| Other Liabilities | | 69,409 | 55,424 |
| Total Liabilities | | 1,300,106 | 1,415,684 |
| Net Position | | | |
| Invested in Capital Assets, Net of Debt | | 1,823,754 | 1,843,983 |
| Restricted | | 1,413,164 | 1,491,397 |
| Unrestricted | | (426,877) | (168,727) |
| Total Net Position | \$ | 2,810,041 | \$ 3,166,653 |

Table 2 shows the changes in net position from fiscal year's 2014 and 2013.

Table 2
Changes in Net Position

| | 2014 | 2013 |
|------------------------------------|---------------------|---------------------|
| Revenues | | |
| Programs Revenues | | |
| Charges for Services | \$ 53,764 | \$ 55,278 |
| Operating Grants and Contributions | 949,033 | 1,003,070 |
| General Revenues | | |
| Property Taxes | 2,704,788 | 2,704,682 |
| Grants and Entitlements | 4,836,896 | 4,636,135 |
| Other | 63,678 | 108,431 |
| Total Revenues | 8,608,159 | 8,507,596 |
| Program Expenses | | |
| Instruction | 2,330,634 | 2,293,812 |
| Support Services | | |
| Tuition | 2,776,199 | 2,478,241 |
| Pupils and Instructional Staff | 557,925 | 575,541 |
| General Administration, School | | |
| Administration, Business | 487,712 | 480,661 |
| Operations and Maintenance of | | |
| Facilities | 427,701 | 484,411 |
| Security | 20,145 | 75,890 |
| Pupil Transportation | 514,968 | 414,111 |
| Employee Benefits | 1,411,111 | 1,401,074 |
| Interest on Debt | 51,488 | 57,013 |
| Food Service | 189,693 | 148,693 |
| Other | 197,195 | 202,145 |
| Total Expenses | 8,964,771 | 8,611,592 |
| Increase in Net Position | \$ (356,612) | \$ (103,996) |

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total revenues from governmental activities were \$7,605,362 for the fiscal year ended June 30, 2014 and property taxes made up 35.6% percent of revenues for governmental activities for the Maurice River Township School District for fiscal year 2014. Federal, state and local grants accounted for another 63.6%. Miscellaneous revenues made up the remaining .8%. The net cost of all Governmental Activity programs and services was \$7,925,620. Instruction of \$2,089,044 comprises 26.4% of these expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses of \$189,693 were more than revenues by \$36,354. This decrease in net position resulted in an ending balance of \$70,360, which includes a transfer \$25,000 from the general fund.
- ❖ Charges for services represent \$53,764 of revenue. This represents the total amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$99,575.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that placed on the District by each of these functions.

Table 3

| | <u>Total Cost of Services 2014</u> | <u>Net Cost of Services 2014</u> | <u>Total Cost of Services 2013</u> | <u>Net Cost of Services 2013</u> |
|---|---|---|---|---|
| Instruction | \$ 2,330,634 | \$ 2,120,383 | \$ 2,293,812 | \$ 2,089,044 |
| Support Services | | | | |
| Tuition | 2,776,199 | 2,776,199 | 2,478,241 | 2,478,241 |
| Pupils and Instructional Staff | 557,925 | 402,466 | 575,541 | 409,471 |
| General Administration, School | | | | |
| Administration, Business | 487,712 | 487,712 | 480,661 | 480,661 |
| Operation and Maintenance of Facilities | 427,701 | 427,701 | 484,411 | 484,411 |
| Security | 20,145 | 20,145 | 75,890 | 75,890 |
| Pupil Transportation | 514,968 | 514,968 | 414,111 | 414,111 |
| Employee Benefits | 1,411,111 | 927,363 | 1,401,074 | 868,353 |
| Interest and Fiscal Charges | 51,488 | 51,488 | 57,013 | 57,013 |
| Other | 197,195 | 197,195 | 202,145 | 202,145 |
| Total Expenses | \$ 8,775,078 | \$ 7,925,620 | \$ 8,462,899 | \$ 7,559,340 |

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$8,454,820 and expenditures of \$8,785,612. The net positive/negative change in fund balance was (\$330,792). There was also a board contribution to the Food Service Fund, in the amount of \$25,000. The School District is, therefore, able to meet current operating costs with no urgent need for additional funds. Availability of surplus funds in the future will be an important factor in budgeting.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

| <u>Revenue</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase/ (Decrease) from 2013</u> | <u>Percent Increase/ (Decrease)</u> |
|-----------------|---------------|-----------------------------|---|---|
| Local Sources | \$ 2,768,466 | 32.7% | \$ (44,647) | -1.6% |
| State Sources | 5,398,671 | 63.9% | 146,835 | 3.0% |
| Federal Sources | 287,683 | 3.4% | (175) | 0.0% |
| Total | \$ 8,454,820 | 100.0% | \$ 102,013 | 1.3% |

The decrease in Local Sources is attributed to decreases in tuition of \$37,669, miscellaneous and interest earnings of \$9,245, offset by increases in the local tax levy of \$106 and transportation charges of \$2,161.

The increase in State Sources is attributed to increases in general fund state aid of \$127,410, in grants for special projects of \$19,328 and \$97 in the debt service fund.

The decrease in Federal Sources is attributed to various net decreases in special revenue awards of \$175.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2014.

| <u>Expenditures</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase/ (Decrease) from 2013</u> | <u>Percent Increase/ (Decrease)</u> |
|----------------------------|---------------|-----------------------------|---|---|
| Current: | | | | |
| Instruction | \$ 2,330,634 | 26.5% | \$ 36,822 | 1.7% |
| Undistributed Expenditures | 6,200,408 | 70.6% | 263,598 | 4.8% |
| Capital Outlay | 74,957 | 0.9% | 67,490 | 370.2% |
| Debt Service: | | | | |
| Principal | 125,000 | 1.4% | 5,000 | 4.3% |
| Interest | 54,613 | 0.6% | (4,800) | -7.5% |
| Total | \$ 8,785,612 | 100.0% | \$ 368,110 | 4.7% |

The increase in instruction is attributed to an increase in special education costs of \$78,869, offset by a decrease in regular instruction costs of \$24,833 and other special instruction costs of \$17,214.

The increase in Undistributed Expenditures is attributed to increases of \$297,958 in tuition, \$7,051 in school administration and central services and transportation of \$100,857, offset by a decrease of \$7,732 in student & instruction related services, \$56,710 in plant operations, and \$55,745 in security and 22,081 in employee benefits.

The decrease in Capital Outlay expenditures is attributed to decreased expenditures for both instructional and support equipment of \$67,490.

The increase in Debt Service of \$400 is attributed to an increase in principle of \$5,000, combined with a reduction in interest payments of \$4,800 on the bond issue.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2014, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the General Fund anticipated that revenues, along with surplus anticipated of \$1,156,620, would roughly equal expenditures, the actual results for the year show a \$343,134 deficit in revenue over expenditures. The overall positive variance, combining revenues with expenditures was \$813,486, as shown on Exhibit C-1.

- ❖ Actual revenues were \$21,695 more than expected, excluding contributions for On-Behalf Pension and Social Security State Aid of \$440,855. This was due to Non-public Transportation and Extraordinary Aid of \$25,067, offset by reduced transportation fees to other LEA's and miscellaneous revenues of \$3,372. The result is a positive variance of \$462,550, as shown on Exhibit C-1.
- ❖ The actual expenditures were \$791,791 lower than expected, offset by the state On-Behalf Pension and Social Security aid of \$440,855, resulting in the reported favorable variance of \$350,936, as shown on Exhibit C-1.

Capital Assets

At the end of the fiscal year 2014, the School District had \$2,988,754 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2014 balances compared to 2013.

Table 4
Capital Assets (Net of Depreciation) at June 30

| | 2014 | 2013 |
|---------------------------|---------------------|---------------------|
| Land | \$ 62,441 | \$ 62,441 |
| Land Improvements | 4,559 | 13,677 |
| Building and Improvements | 2,517,106 | 2,606,303 |
| Equipment | 404,648 | 431,562 |
| Totals | <u>\$ 2,988,754</u> | <u>\$ 3,113,983</u> |

Overall capital assets decreased \$125,229 in fiscal year 2014. Increases in capital assets of \$74,957 (primarily buildings and improvements and equipment) were offset by depreciation expenses for the year of \$200,186 and asset retirement.

Debt Administration

At June 30, 2014, the School District had \$1,228,571 as outstanding debt. Of this amount \$63,571 is for compensated absences and the balance of \$1,165,000 for bonds related to school construction.

At June 30, 2014, the School District's overall legal debt margin was \$9,683,869 and the unvoted debt margin was \$8,518,869.

| | <u>Date Of Issue</u> | <u>Amount of Issue</u> | <u>Balance at June 30, 2014</u> |
|--|------------------------------|--------------------------------|---|
| Addition to the Elementary School Building Refunding Issue | 1/1/2007 | \$ 1,950,000 | \$ 1,165,000 |

For the Future

The Maurice River Township School District hopes to continue its "Choice" status to increase its student enrollment and Choice Aid funding. Through the use of Choice Aid funding, the district hopes to upgrade its facility and expand the services provided to students

In conclusion, the Maurice River Township School District has committed itself to excellence in education for many years despite its financial struggle to survive. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Patricia A. Powell, School Business Administrator/Board Secretary at Maurice River Township Board of Education, P.O. Box 464, 3593 S. Delsea Drive, Port Elizabeth, NJ 08348.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> |
|---|--|---|---------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 914,038 | \$ 29,796 | \$ 943,834 |
| Receivables, Net | 157,097 | 18,637 | 175,734 |
| Inventory | | 1,825 | 1,825 |
| Capital Assets, Net (Note 5): | 2,960,882 | 27,872 | 2,988,754 |
| Total Assets | <u>4,032,017</u> | <u>78,130</u> | <u>4,110,147</u> |
| LIABILITIES | | | |
| Accounts Payable | 16,026 | 5,222 | 21,248 |
| Accrued Interest | 24,181 | | 24,181 |
| Unearned Revenue | 23,558 | 422 | 23,980 |
| Non-current Liabilities (Note 6): | | | |
| Due Within One Year | 140,000 | | 140,000 |
| Due Beyond One Year | 1,088,571 | 2,126 | 1,090,697 |
| Total Liabilities | <u>1,292,336</u> | <u>7,770</u> | <u>1,300,106</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 1,795,882 | 27,872 | 1,823,754 |
| Restricted For: | | | |
| Capital Reserve | 90,000 | | 90,000 |
| Tuition Reserve | 490,875 | | 490,875 |
| Maintenance Reserve | 355,292 | | 355,292 |
| Emergency Reserve | 250,000 | | 250,000 |
| Special Revenue | (14,303) | | (14,303) |
| Other Purposes | 241,300 | | 241,300 |
| Unrestricted (Deficit) | (469,365) | 42,488 | (426,877) |
| Total Net Position | <u>\$ 2,739,681</u> | <u>\$ 70,360</u> | <u>\$ 2,810,041</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|------------------------|--|--|---|---|---------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business- type Activities</u> | <u>Total</u> |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 1,871,215 | \$ | \$ 210,251 | \$ (1,660,964) | \$ | \$ (1,660,964) |
| Special Education | 453,675 | | | (453,675) | | (453,675) |
| Other Special Instruction | 5,744 | | | (5,744) | | (5,744) |
| Support Services: | | | | | | |
| Tuition | 2,776,199 | | | (2,776,199) | | (2,776,199) |
| Student & Instruction Related Services | 557,925 | | 155,459 | (402,466) | | (402,466) |
| General and Business Administrative Services | 169,326 | | | (169,326) | | (169,326) |
| School Administrative Services | 112,436 | | | (112,436) | | (112,436) |
| Central Services | 205,950 | | | (205,950) | | (205,950) |
| Plant Operations and Maintenance | 427,701 | | | (427,701) | | (427,701) |
| Security | 20,145 | | | (20,145) | | (20,145) |
| Pupil Transportation | 514,968 | | | (514,968) | | (514,968) |
| Employee Benefits | 1,411,111 | | 483,748 | (927,363) | | (927,363) |
| Interest on Long-term Debt | 51,488 | | | (51,488) | | (51,488) |
| Unallocated Depreciation | 197,195 | | | (197,195) | | (197,195) |
| Total Governmental Activities | 8,775,078 | | 849,458 | (7,925,620) | | (7,925,620) |
| Business-type Activities: | | | | | | |
| Food Service | 189,693 | 53,764 | 99,575 | | (36,354) | (36,354) |
| Total Business-type Activities | 189,693 | 53,764 | 99,575 | | (36,354) | (36,354) |
| Total Primary Government | \$ 8,964,771 | \$ 53,764 | \$ 949,033 | (7,925,620) | (36,354) | (7,961,974) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | 2,612,637 | | 2,612,637 |
| Taxes Levied for Debt Service | | | | 92,151 | | 92,151 |
| Federal and State Aid Not Restricted | | | | 4,836,896 | | 4,836,896 |
| Transportation Charges | | | | 62,805 | | 62,805 |
| Investment Earnings | | | | 43 | | 43 |
| Miscellaneous Income | | | | 830 | | 830 |
| Transfer | | | | (25,000) | 25,000 | |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | | | | 7,580,362 | 25,000 | 7,605,362 |
| Change in Net Position | | | | (345,258) | (11,354) | (356,612) |
| Net Position—Beginning | | | | 3,084,939 | 81,714 | 3,166,653 |
| Net Position—Ending | | | | \$ 2,739,681 | \$ 70,360 | \$ 2,810,041 |

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|---|-------------------------|-------------------------------------|------------------------------|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 923,149 | \$ | \$ | \$ 923,149 |
| Receivables from Other Governments | 21,013 | | | 21,013 |
| Interfund Receivables | 92,874 | | | 92,874 |
| State Aid Receivable | 33,955 | | | 33,955 |
| Federal Aid Receivable | | 102,129 | | 102,129 |
| Total Assets | <u>\$ 1,070,991</u> | <u>\$ 102,129</u> | <u>\$</u> | <u>\$ 1,173,120</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 16,026 | \$ | \$ | \$ 16,026 |
| Unearned Revenue | | 23,558 | | 23,558 |
| Interfund Payable | 9,111 | 92,874 | | 101,985 |
| Total Liabilities | <u>25,137</u> | <u>116,432</u> | | <u>141,569</u> |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Maintenance Reserve | 355,292 | | | 355,292 |
| Emergency Reserve | 250,000 | | | 250,000 |
| Tuition Reserve | 245,000 | | | 245,000 |
| Assigned: | | | | |
| Year-end Encumbrances | 27,663 | | | 27,663 |
| Tuition Reserve - Designated for Subsequent Year's Expenditures | 245,875 | | | 245,875 |
| Capital Reserve - Designated for Subsequent Year's Expenditures | 90,000 | | | 90,000 |
| Designated for Subsequent Year's Expenditures | 213,637 | | | 213,637 |
| Unassigned, Reported In: | | | | |
| General Fund | (381,613) | | | (381,613) |
| Special Revenue Fund | | (14,303) | | (14,303) |
| Total Fund Balances | <u>1,045,854</u> | <u>(14,303)</u> | | <u>1,031,551</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,070,991</u> | <u>\$ 102,129</u> | <u>\$</u> | |

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,456,644 and the accumulated depreciation is \$3,373,524 (Note 5).

2,960,882

Accrued interest is not due and payable in the current period and are therefore not reported as liabilities.

(24,181)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6).

(1,228,571)

Net position of governmental activities

\$ 2,739,681

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|--|-----------------|----------------------------|-------------------------|--------------------------------|
| REVENUES | | | | |
| Local Sources: | | | | |
| Local Tax Levy | \$ 2,612,637 | \$ | \$ 92,151 | \$ 2,704,788 |
| Transportation Charges | 62,805 | | | 62,805 |
| Interest Earned | 43 | | | 43 |
| Miscellaneous | 830 | | | 830 |
| Total - Local Sources | 2,676,315 | | 92,151 | 2,768,466 |
| State Sources | 5,170,409 | 140,800 | 87,462 | 5,398,671 |
| Federal Sources | | 287,683 | | 287,683 |
| Total Revenues | 7,846,724 | 428,483 | 179,613 | 8,454,820 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Regular Instruction | 1,660,964 | 210,251 | | 1,871,215 |
| Special Education Instruction | 453,675 | | | 453,675 |
| Other Special Instruction | 5,744 | | | 5,744 |
| Support Services: | | | | |
| Tuition | 2,776,199 | | | 2,776,199 |
| Student & Instruction Related Services | 402,466 | 155,459 | | 557,925 |
| General Administrative Services | 169,326 | | | 169,326 |
| School Administrative Services | 112,436 | | | 112,436 |
| Central Services | 205,950 | | | 205,950 |
| Plant Operations and Maintenance | 427,701 | | | 427,701 |
| Security | 20,145 | | | 20,145 |
| Pupil Transportation | 514,968 | | | 514,968 |
| Employee Benefits | 1,372,865 | 42,893 | | 1,415,758 |
| Capital Outlay | 52,852 | 22,105 | | 74,957 |
| Debt Service: | | | | |
| Principal | | | 125,000 | 125,000 |
| Interest and Other Charges | | | 54,613 | 54,613 |
| Total Expenditures | 8,175,291 | 430,708 | 179,613 | 8,785,612 |
| Excess (Deficiency) of Revenues Over Expenditures | (328,567) | (2,225) | - | (330,792) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out - Food Service Deficit | (25,000) | | | (25,000) |
| Total Other Financing Sources and Uses | (25,000) | | | (25,000) |
| Net Change in Fund Balances | (353,567) | (2,225) | | (355,792) |
| Fund Balance—July 1 | 1,399,421 | (12,078) | | 1,387,343 |
| Fund Balance—June 30 | \$ 1,045,854 | \$ (14,303) | \$ - | \$ 1,031,551 |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (355,792)**

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

| | | |
|----------------------|--------------|-----------|
| Depreciation Expense | \$ (197,195) | |
| Capital Outlays | 74,957 | (122,238) |
| | | |

| | |
|---|---------|
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. | 125,000 |
|---|---------|

Payment of capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

| | |
|---|-------|
| In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the government funds, interest is reported when due. | 3,125 |
|---|-------|

In the Statement of Activities, certain operating expenses, e. g. compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

| | |
|----------------------|-------|
| Compensated Absences | 4,647 |
|----------------------|-------|

Change in Net Position of Governmental Activities (A-2) **\$ (345,258)**

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

| | Business-type Activities Enterprise Funds | |
|-------------------------------------|--|-----------|
| | Food Service | Totals |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 20,685 | \$ 20,685 |
| Accounts Receivable | 18,637 | 18,637 |
| Interfund Receivable | 9,111 | |
| Inventories | 1,825 | 1,825 |
| Total Current Assets | 50,258 | 41,147 |
| Fixed Assets: | | |
| Equipment | 64,557 | 64,557 |
| Accumulated Depreciation | (36,685) | (36,685) |
| Total Fixed Assets | 27,872 | 27,872 |
| Total Assets | \$ 78,130 | \$ 69,019 |
| LIABILITIES AND FUND EQUITY: | | |
| Current Liabilities: | | |
| Unearned Revenue | \$ 422 | \$ 422 |
| Compensated Absences | 2,126 | 2,126 |
| Accounts Payable | 5,222 | 5,222 |
| Total Current Liabilities | 7,770 | 7,770 |
| Net Position: | | |
| Investment in Fixed Assets | 27,872 | 27,872 |
| Unrestricted | 42,488 | 42,488 |
| Total Fund Equity | 70,360 | 70,360 |
| Total Liabilities and Net Position | \$ 78,130 | \$ 78,130 |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Business-type Activities | |
|--|---------------------------------|-------------------------|
| | Enterprise Fund | |
| | Food Service | Total Enterprise |
| Operating Revenues: | | |
| Charges for Services: | | |
| Daily Sales - Reimbursable Programs | \$ 39,893 | \$ 39,893 |
| Daily Sales - Non-reimbursable Programs | 13,871 | 13,871 |
| Total Operating Revenue: | 53,764 | 53,764 |
| Operating Expenses: | | |
| Cost of Sales | 64,609 | 64,609 |
| Salaries | 76,740 | 76,740 |
| Employee Benefits | 25,757 | 25,757 |
| Consulting Fee | 11,121 | 11,121 |
| Repairs & Other Expenses | 3,888 | 3,888 |
| General Supplies | 4,587 | 4,587 |
| Depreciation | 2,991 | 2,991 |
| Total Operating Expenses | 189,693 | 189,693 |
| Operating Income (Loss) | (135,929) | (135,929) |
| Non-operating Revenues (Expenses): | | |
| State Sources: | | |
| State School Lunch Program | 1,707 | 1,707 |
| Federal Sources: | | |
| National School Breakfast Program | 23,386 | 23,386 |
| National School Lunch Program | 63,024 | 63,024 |
| Food Distribution Program | 11,875 | 11,875 |
| Prior Year Adjustment | (417) | (417) |
| Total Non-Operating Revenues (Expenses) | 99,575 | 99,575 |
| Income (Loss) Before Contributions & Transfers | (36,354) | (36,354) |
| Transfers In (Out) | 25,000 | 25,000 |
| Change in Net Position | (11,354) | (11,354) |
| Total Net Position—Beginning | 81,714 | 81,714 |
| Total Net Position—Ending | \$ 70,360 | \$ 70,360 |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Business-type Activities Enterprise Funds | |
|---|--|---------------------|
| | Food Service | Total Enterprise |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Customers | \$ 53,764 | \$ 53,764 |
| Payments to Employees | (76,740) | (76,740) |
| Payments for Employee Benefits | (25,757) | (25,757) |
| Payments to Suppliers | (80,394) | (80,394) |
| Net Cash Provided by (used for) Operating Activities | (129,127) | (129,127) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State Sources | 1,707 | 1,707 |
| Federal Sources | 86,410 | 86,410 |
| Operating Subsidies and Transfers to Other Funds | 25,000 | 25,000 |
| Prior Year Revenue Adjustment | (417) | (417) |
| Net Cash Provided by (used for) Non-Capital Financing Activities | 112,700 | 112,700 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchases of Capital Assets | | |
| Net Cash Provided by (used for) Capital and Related Financing Activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest and Dividends | | |
| Net Cash Provided by (used for) Investing Activities | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | (16,427) | (16,427) |
| Balances—Beginning of Year | 37,112 | 37,112 |
| Balances—End of Year | \$ 20,685 | \$ 20,685 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities: | | |
| Operating Income (Loss) | \$ (135,929) | \$ (135,929) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities | | |
| Food Distribution Program | 11,875 | 11,875 |
| Depreciation and Net Amortization | 2,991 | 2,991 |
| (Increase) Decrease in Accounts Receivable, Net | (9,418) | (9,418) |
| (Increase) Decrease in Inventories | 284 | 284 |
| Increase (Decrease) in Accounts Payable | 1,457 | 1,457 |
| (Decrease) Increase in Compensated Absences | 84 | 84 |
| Increase (Decrease) in Deferred Revenue | (471) | (471) |
| Total Adjustments | 6,802 | 6,802 |
| Net Cash Provided by (used for) Operating Activities | \$ (129,127) | \$ (129,127) |

Noncash Noncapital Financing Activities:

During the Year, the District Received \$10,653 of Food Commodities from the U. S. Department of Agriculture

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

| | <u>Unemployment Compensation Trust</u> | <u>Agency Fund</u> |
|--------------------------------|---|-------------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 236,718 | \$ 64,707 |
| Accounts Receivable | | |
| | <hr/> | <hr/> |
| Total Assets | 236,718 | 64,707 |
| | <hr/> | <hr/> |
| LIABILITIES | | |
| Payroll Deductions Payable | 1,737 | 24,217 |
| Payable to Student Groups | | 40,490 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 1,737 | \$ 64,707 |
| | <hr/> | <hr/> |
| NET POSITION | | |
| Held in Trust for Unemployment | | |
| Claims and other Purposes | \$ 234,981 | |
| | <hr/> | |

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Unemployment Compensation Trust</u> |
|------------------------------------|---|
| ADDITIONS | |
| Contributions: | |
| Contribution | \$ |
| Plan Member | 10,937 |
| Interest Income | |
| | <hr/> |
| Total Additions | 10,937 |
| | <hr/> |
| DEDUCTIONS | |
| Unemployment Claims | 4,656 |
| | <hr/> |
| Total Deductions | 4,656 |
| | <hr/> |
| Change in Net Position | 6,281 |
| Net Position—Beginning of the Year | 228,700 |
| | <hr/> |
| Net Position—End of the Year | \$ 234,981 |
| | <hr/> <hr/> |

The accompanying Notes to Financial Statements are an integral part of this statement.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Maurice River Township School District (District) is organized under the Constitution of the State of New Jersey. It is located in Cumberland County and provides educational services for all of Maurice River Township's grades K through 8 as authorized by state and federal guidelines.

The District serves an area of approximately seventy square miles. The District currently operates one instructional building and an administrative building. The Maurice River Township School District had an approximate enrollment at June 30, 2014 of 423 students.

A. Reporting Entity:

The Maurice River Township School District is a Type II District as provided by statute of the State of New Jersey. As a Type II District, it functions independently and operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Maurice River Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUND TYPE

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|-----------------------------|--------------|
| Food Service Fund Equipment | 7 – 20 Years |
|-----------------------------|--------------|

Internal Service Fund

The Maurice River Township School District does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control (Cont'd):

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2013-14, 2012-13, 2011-12 and 2010-11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2014 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in general fixed assets are not depreciated.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-------------------------------|-----------------------------------|
| School Building | 50 |
| Building Improvements | 20 |
| Vehicles | 8 |
| Office and Computer Equipment | 5-10 |
| Instructional Equipment | 10 |
| Grounds Equipment | 15 |

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

P. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

T. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

W. New Accounting Standards:

During fiscal year 2013, the district adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

W. New Accounting Standards (Cont'd):

- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

X. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts. Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Deposits:

New Jersey statutes require that School Districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district

As of June 30, 2014, cash and cash equivalents in the fund financial statements of the District consisted of the following:

| | <u>Cash and Cash</u> |
|---------------------------|-----------------------------|
| | <u>Equivalents</u> |
| Checking accounts | \$ 1,169,804 |
| N.J. Cash Management Fund | 75,455 |
| Total | \$ <u>1,245,259</u> |

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk

All bank deposits and investments as of the balance sheet date are entirely insured or collateralized by a pool maintained by public depositories as required by the Governmental Unit Protection Act and are classified as to credit risk by the following three categories described below.

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the districts deposits may not be returned to it. Although the district does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act.

The Board of Education designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2014, \$1,454,322 of the Districts bank balance of \$1,128,867 was uninsured and exposed to custodial credit risk.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2014, the District had \$75,455 of funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the General Fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2014 is \$423,728.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5. CAPITAL ASSETS

Capital Asset Activity for the Year Ended June 30, 2014 was as Follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|--------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets that are not Being Depreciated: | | | | |
| Land | \$ 62,441 | | | \$ 62,441 |
| Total Capital Assets not Being Depreciated | 62,441 | | | 62,441 |
| Land Improvements | 300,274 | | | 300,274 |
| Building and Building Improvements | 4,442,681 | | | 4,442,681 |
| Machinery and Equipment | 1,651,248 | \$ 74,957 | \$ (235,055) | 1,491,150 |
| Totals at Historical Cost | 6,394,203 | 74,957 | (235,055) | 6,234,105 |
| Less Accumulated Depreciation for : | | | | |
| Land Improvements | (286,597) | (9,118) | | (295,715) |
| Building and Improvements | (1,836,378) | (89,197) | | (1,925,575) |
| Equipment | (1,250,549) | (98,880) | 235,055 | (1,114,374) |
| Total Accumulated Depreciation | (3,373,524) | (197,195) | 235,055 | (3,335,664) |
| Total Capital Assets Being Depreciated, Net of Accumulated Depreciation | 3,020,679 | (122,238) | | 2,898,441 |
| Government Activities Capital Assets, Net | \$ 3,083,120 | \$ (122,238) | \$ - | \$ 2,960,882 |
| | To A-1 | | | To A-1 |
| Business-type Activities - Equipment | \$ 64,557 | | | \$ 64,557 |
| Less Accumulated Depreciation | (33,694) | (2,991) | | (36,685) |
| Business-type Activities Capital Assets, Net | \$ 30,863 | \$ (2,991) | \$ - | \$ 27,872 |
| Depreciation Expense was Charged to Governmental Functions as Follows: | | | | |
| | Unallocated | | To A-2 | \$ 197,195 |

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

| | Beginning | | | Ending | Amounts | |
|----------------------------------|--------------|-----------|------------|--------------|---------------|--------------|
| | Balance | Additions | Reductions | Balance | Due within | Long-term |
| | | | | | One Year | Portion |
| Governmental Activities: | | | | | | |
| Bonds Payable: | | | | | | |
| General Obligation Debt | \$ 1,290,000 | \$ - | \$ 125,000 | \$ 1,165,000 | \$ 140,000 | \$ 1,025,000 |
| Total Bonds Payable | 1,290,000 | | 125,000 | 1,165,000 | 140,000 | 1,025,000 |
| Other Liabilities: | | | | | | |
| Obligations Under Capital Lease | | | | | | |
| Compensated Absences Payable | 68,218 | | 4,647 | 63,571 | | 63,571 |
| Total Other Liabilities | \$ 1,358,218 | \$ - | \$ 129,647 | \$ 1,228,571 | \$ 140,000 | \$ 1,088,571 |
| | | | | | To A-1 | |
| Business-Type Activities: | | | | | | |
| Compensated Absences Payable | \$ 2,042 | \$ 84 | \$ - | \$ 2,126 | \$ - | \$ 2,126 |

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding is as follows:

| Year ending June 30, | Principal | Interest | Total |
|----------------------|---------------------|-------------------|---------------------|
| 2015 | \$ 140,000 | \$ 48,363 | \$ 188,363 |
| 2016 | 150,000 | 41,913 | 191,913 |
| 2017 | 145,000 | 35,913 | 180,913 |
| 2018 | 150,000 | 30,113 | 180,113 |
| 2019 | 150,000 | 23,925 | 173,925 |
| 2020 | 145,000 | 17,738 | 162,738 |
| 2021 | 145,000 | 11,756 | 156,756 |
| 2022 | 140,000 | 5,775 | 145,775 |
| | <u>\$ 1,165,000</u> | <u>\$ 215,496</u> | <u>\$ 1,380,496</u> |

B. Bonds Authorized But Not Issued - As of June 30, 2014, the District had no authorized but not issued bonds.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. OPERATING LEASES

The District had commitments to lease certain office equipment under operating leases that expired in 2014. There were no operating lease obligations initiated in the year ended June 30, 2014 and no future minimum lease payments

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8. PENSION PLANS (CONT'D)

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8. PENSION PLANS (CONT'D)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

| <u>Year</u> <u>Funding</u> | | <u>Annual</u> <u>Pension</u> <u>Cost APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------|----|---|--|----|---|
| 6/30/14 | \$ | 65,104 | 100% | \$ | 65,104 |
| 6/30/13 | | 74,255 | 100 | | 74,255 |
| 6/30/12 | | 73,310 | 100 | | 73,310 |

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

| <u>Year</u> <u>Funding</u> | | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------|----|--|--|----|---|
| 6/30/14 | \$ | 260,059 | 100 % | \$ | 0 |
| 6/30/13 | | 317,713 | 100 | | 0 |
| 6/30/12 | | 210,209 | 100 | | 0 |

During the fiscal year ended June 30, 2014 the State of New Jersey contributed \$98,521 to the TPAF for Pension Contribution and \$161,538 for Post-Retirement Medical on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$160,796 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1991 and 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 and 1994 fiscal years. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District assumed the increased cost for the early retirement as it affected their districts.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9. POST-RETIREMENT BENEFITS (CONT'D)

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, a liability existed for compensated absences in the General Fund of \$63,571 and \$2,126 in the Food Service Fund.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2014 were Syracuse, Metlife, Wachovia, Ameriprise, Northern Life, Prudential, and Lincoln Investment. The district also maintains an AFLAC pre-taxed disability plan under Section 125 of the Internal Revenue Service.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2013-2014 | \$ 0 | \$ 10,937 | \$ 4,656 | \$ 234,981 |
| 2012-2013 | 0 | 10,081 | 14,990 | 228,700 |
| 2011-2012 | 0 | 10,002 | 5,210 | 233,609 |

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

| | <u>Due To</u> | <u>Due From</u> |
|----------------------|---------------|-----------------|
| General Fund | \$92,874 | \$ 9,111 |
| Special Revenue Fund | | 92,874 |
| Food Service Fund | 9,111 | |

NOTE 14. INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

| | |
|----------|-----------------|
| Food | \$ 1,119 |
| Supplies | 706 |
| | <u>\$ 1,825</u> |

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The ending commodity inventory value as of June 30, 2014 was \$422

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,045,854 Fund balance at June 30, 2014, \$27,663 is Assigned for encumbrances; \$0 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$0, of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$355,292 is reserved for Maintenance Reserve; \$250,000 is reserved for Emergency Reserve; \$90,000 is reserved for Capital Reserve, of which \$90,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2015; \$490,875 is reserved for Tuition Reserve, of which \$245,875 has been appropriated and also included as anticipated revenue for the year ending June 30, 2015; \$213,637 has been assigned as fund balance appropriated and also included as anticipated revenue for the year ending June 30, 2015 and (\$381,613) represents an unreserved and undesignated fund balance.

Debt Service Fund – The Debt Service Fund fund balance at June 30, 2014 is \$0.

NOTE 16. DEFICIT FUND BALANCES

The District has an Unreserved and Undesignated deficit in the General Fund of \$381,613 and a deficit in the Special Revenue Fund of \$14,303, as of June 30, 2014 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school year, Districts must record the delayed one or more June state aid payments as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$381,613 in the General Fund and \$14,303 in the Special revenue fund is equal to or less than the last state payment(s).

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2014, which is to be restricted and budgeted in the 2015-16 fiscal year.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 18. LITIGATION

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 19. TUITION

Maurice River Township School District, along with three other sending Districts to Millville School District has commenced litigation against the State of New Jersey regarding the new regulations governing the calculation of the receiving District's current year tuition rate as well as the audited tuition rate. The new regulations allow for substantial increases in the current year tuition rate and at the same time substantial decreases in the audited tuition rate, causing the sending districts serious budget issues. For this reason, the sending districts are seeking a change in the regulations through litigation.

NOTE 20. RECEIVABLES

Receivables at June 30, 2014 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

| | Special | | | |
|-------------------|------------------|-------------------|------------------|-------------------|
| Receivables: | General | Revenue | Proprietary | Total |
| | Fund | Fund | Funds | |
| Intergovernmental | \$ 54,968 | \$ 102,129 | \$ 18,637 | \$ 175,734 |
| Other | | | | |
| Totals | <u>\$ 54,968</u> | <u>\$ 102,129</u> | <u>\$ 18,637</u> | <u>\$ 175,734</u> |

NOTE 21. FEMA Community Disaster Loan (CDL)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1] - The school district did not apply for and did not receive a CDL due to Superstorm Sandy in October 2012.

NOTE 22. Community Development Block Grant (CDBG)

General Fund [Exhibits A-1, A-2, B-1, B-2, C-1 and C-1/b] - The school district did not receive a CDBG for the school year 2013-2014

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,612,637 | \$ | \$ 2,612,637 | \$ 2,612,637 | \$ |
| Tuition from Other LEAs - Homeless | | | | | |
| Transportation Fees from other LEAs | 47,000 | | 47,000 | 62,805 | 15,805 |
| Interest Earned | 50 | | 50 | 43 | (7) |
| Miscellaneous | 20,000 | | 20,000 | 830 | (19,170) |
| Total - Local Sources | 2,679,687 | | 2,679,687 | 2,676,315 | (3,372) |
| State Sources: | | | | | |
| Equalization Aid | 3,545,120 | | 3,545,120 | 3,545,120 | |
| Categorical Special Education Aid | 283,265 | | 283,265 | 283,265 | |
| Categorical Security Aid | 94,769 | | 94,769 | 94,769 | |
| Categorical Transportation Aid | 291,732 | | 291,732 | 291,732 | |
| Adjustment Aid | | | | | |
| School Choice Aid | 471,768 | | 471,768 | 471,768 | |
| Under Adequacy Aid | 21,720 | | 21,720 | 21,720 | |
| Anti-Bullying Award | | 6,546 | 6,546 | 6,546 | |
| Other State Aids: | | | | | |
| Non-public Transportation Aid | | | | 3,894 | 3,894 |
| Extraordinary Aid | | | | 21,173 | 21,173 |
| On-behalf TPAF Pension Contribution (non-budgeted) | | | | 98,521 | 98,521 |
| On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted) | | | | 161,538 | 161,538 |
| Reimbursement TPAF Social Security Contrib. (non-budgeted) | | | | 180,796 | 180,796 |
| Total - State Sources | 4,708,374 | 6,546 | 4,714,920 | 5,180,842 | 465,922 |
| TOTAL REVENUES | 7,388,061 | 6,546 | 7,394,607 | 7,857,157 | 462,550 |
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Preschool | 6,100 | (4,320) | 1,780 | 1,304 | 476 |
| Kindergarten | 132,426 | 892 | 133,318 | 133,317 | 1 |
| Grades 1-5 | 868,237 | 5,500 | 873,737 | 861,420 | 12,317 |
| Grades 6-8 | 480,597 | 52,758 | 533,355 | 533,354 | 1 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 15,000 | (8,241) | 6,759 | 6,758 | 1 |
| Other Purchased Services | 1,600 | | 1,600 | 531 | 1,069 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 28,364 | (11,993) | 16,371 | 10,072 | 6,299 |
| Purchased Professional - Educational Services | 7,000 | (5,294) | 1,706 | | 1,706 |
| Purchased Technical Services | 1,000 | 3,229 | 4,229 | 3,853 | 376 |
| Other Purchased Services | 15,500 | (2,251) | 13,249 | 10,707 | 2,542 |
| General Supplies | 53,689 | 74,821 | 128,510 | 96,928 | 31,582 |
| Textbooks | 9,400 | 35 | 9,435 | 2,720 | 6,715 |
| Other Objects | 500 | | 500 | | 500 |
| TOTAL REGULAR PROGRAMS - INSTRUCTION | 1,619,413 | 105,136 | 1,724,549 | 1,660,964 | 63,585 |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Expenditures</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| Learning/Language Disabilities | | | | | |
| Salaries of Teachers | \$ 110,356 | \$ 900 | \$ 111,256 | \$ 110,510 | \$ 746 |
| Other Salaries for Instruction | 81,577 | 14,505 | 96,082 | 87,924 | 8,158 |
| General Supplies | 1,000 | 252 | 1,252 | 1,223 | 29 |
| Total Learning/Language Disabilities | 192,933 | 15,657 | 208,590 | 199,657 | 8,933 |
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | 200,010 | 53,471 | 253,481 | 253,281 | 200 |
| General Supplies | 1,000 | | 1,000 | 737 | 263 |
| Total Resource Room | 201,010 | 53,471 | 254,481 | 254,018 | 463 |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | 393,943 | 69,128 | 463,071 | 453,675 | 9,396 |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 38,872 | (30,054) | 8,818 | 463 | 8,355 |
| General Supplies | 1,500 | 377 | 1,877 | 1,269 | 608 |
| Total Basic Skills | 40,372 | (29,677) | 10,695 | 1,732 | 8,963 |
| School Sponsored Co-curricular Activities: | | | | | |
| Salaries of Teachers | 3,850 | 5,763 | 9,613 | 2,904 | 6,709 |
| Purchased Services | 1,500 | (872) | 628 | 600 | 28 |
| Supplies and Materials | 5,200 | (4,691) | 509 | 508 | 1 |
| Other Objects | 200 | (200) | | | |
| Total School Sponsored Co-curricular Activities | 10,750 | | 10,750 | 4,012 | 6,738 |
| Total Instruction | 2,064,478 | 144,587 | 2,209,065 | 2,120,383 | 88,682 |
| UNDISTRIBUTED EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Tuition - Regular - LEAs in State | 1,732,211 | 27,639 | 1,759,850 | 1,759,788 | 62 |
| Tuition to Other LEAs within State-Special | 637,134 | 883 | 638,017 | 637,652 | 365 |
| Tuition to CSSC & Regional Day Schools | 247,864 | (20,955) | 226,909 | 212,874 | 14,035 |
| Tuition to Private Schools for the Handicapped | | | | | |
| Within the State | 100,217 | 29,567 | 129,784 | 126,105 | 3,679 |
| Tuition Other | 39,780 | 1 | 39,781 | 39,780 | 1 |
| Total Undistributed Expenditures - Instruction | 2,757,206 | 37,135 | 2,794,341 | 2,776,199 | 18,142 |
| Attendance and Social Work Services: | | | | | |
| Salaries | 8,000 | | 8,000 | 8,000 | |
| Other Purchased Services | 10,552 | | 10,552 | | 10,552 |
| Total Attendance and Social Work Services | 18,552 | | 18,552 | 8,000 | 10,552 |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | Original Budget | Budget Transfers | Final Budget | Expenditures | Variance Final to Actual Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|--------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| UNDISTRIBUTED EXPENDITURES (Continued): | | | | | |
| Health Services: | | | | | |
| Salaries | \$ 72,154 | \$ 513 | \$ 72,667 | \$ 71,457 | \$ 1,210 |
| Purchased Professional and Technical Services | 3,500 | (513) | 2,987 | 2,605 | 382 |
| Other Purchased Services | 600 | | 600 | 31 | 569 |
| Supplies and Materials | 4,700 | 1,445 | 6,145 | 2,174 | 3,971 |
| Other Objects | 150 | | 150 | | 150 |
| Total Health Services | 81,104 | 1,445 | 82,549 | 76,267 | 6,282 |
| Other Support Services - Students- Related Services: | | | | | |
| Purchased Professional- Educational Services | 76,000 | (19,554) | 56,446 | 56,418 | 28 |
| Supplies and Materials | 500 | | 500 | | 500 |
| Total Undistributed Expenditures Other Support Services-Students-Related Services | 76,500 | (19,554) | 56,946 | 56,418 | 528 |
| Special Education - Extraordinary Services: | | | | | |
| Purchased Professional - Educational Services | 40,000 | (3,494) | 36,506 | 23,861 | 12,645 |
| Total Undistributed Expenditures Other Support Services-Students-Extraordinary Services | 40,000 | (3,494) | 36,506 | 23,861 | 12,645 |
| Guidance | | | | | |
| Salaries of Other Professional Staff | 105,213 | 7,596 | 112,809 | 100,508 | 12,301 |
| Other Purchased Professional and Technical Services | 4,000 | (420) | 3,580 | | 3,580 |
| Supplies and Materials | 5,000 | (630) | 4,370 | 21 | 4,349 |
| Other Objects | 500 | | 500 | | 500 |
| Total Other Support Services-Students-Regular | 114,713 | 6,546 | 121,259 | 100,529 | 20,730 |
| Child Study Team | | | | | |
| Salaries of Other Professional Staff | 2,500 | | 2,500 | 1,553 | 947 |
| Purchased Professional - Educational Services | 26,656 | 11,250 | 37,906 | 17,632 | 20,274 |
| Miscellaneous Purchased Services | 500 | | 500 | 191 | 309 |
| Supplies and Materials | 750 | | 750 | | 750 |
| Total Other Support Services - Students - Special Services | 30,406 | 11,250 | 41,656 | 19,376 | 22,280 |
| Improvement of Instruction Services - Other Support | | | | | |
| Salaries of Supervisors of Instruction | 106,000 | (3,641) | 102,359 | 80,937 | 21,422 |
| Salaries of Other Professional Staff | 1,500 | (1,500) | | | |
| Purchased Professional-Educational Services | | 3,050 | 3,050 | 2,300 | 750 |
| Salaries of Secretarial and Clerical Assistants | 19,900 | 2,991 | 22,891 | 22,791 | 100 |
| Other Purchased Services | 1,000 | (100) | 900 | | 900 |
| Total Improvement of Instruction Services | 128,400 | 800 | 129,200 | 106,028 | 23,172 |
| Educational Media Services/School Library: | | | | | |
| Purchased Professional and Technical Services | 500 | | 500 | | 500 |
| Other Purchased Services | 4,100 | | 4,100 | 1,915 | 2,185 |
| Supplies and Materials | 1,200 | | 1,200 | | 1,200 |
| Total Educational Media Services/School Library | 5,800 | | 5,800 | 1,915 | 3,885 |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Expenditures</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| UNDISTRIBUTED EXPENDITURES: (Continued) | | | | | |
| Instructional Staff Training Services: | | | | | |
| Salaries of Other Professional Staff | \$ 25,000 | \$ (2,600) | \$ 22,400 | \$ | \$ 22,400 |
| Other Salaries | 500 | | 500 | | 500 |
| Purchased Professional - Educational Services | 20,000 | 3,000 | 23,000 | 5,200 | 17,800 |
| Other Purchased Services | 6,500 | 25 | 6,525 | 2,527 | 3,998 |
| Supplies and Materials | 1,000 | 1,800 | 2,800 | 2,345 | 455 |
| Total Instructional Staff Training | 53,000 | 2,225 | 55,225 | 10,072 | 45,153 |
| Support Services General Administration: | | | | | |
| Salaries | 111,739 | 18,100 | 129,839 | 127,895 | 1,944 |
| Legal Services | 5,000 | | 5,000 | 1,864 | 3,136 |
| Audit Fees | 12,000 | | 12,000 | 11,594 | 406 |
| Other Purchased Professional Services | 10,111 | (4,061) | 6,050 | 4,931 | 1,119 |
| Communication/Telephone | 21,708 | (8,758) | 12,950 | 10,449 | 2,501 |
| BOE Other Purchased Services | 3,000 | (2,500) | 500 | | 500 |
| Other Purchased Services | 8,589 | (2) | 8,587 | 5,383 | 3,204 |
| General Supplies | 500 | 2,781 | 3,281 | 3,001 | 280 |
| BOE In-House Training/Meeting Supplies | 150 | | 150 | | 150 |
| Miscellaneous Expenditures | 2,400 | 2,650 | 5,050 | 4,209 | 841 |
| BOE Membership Dues and Fees | 6,000 | | 6,000 | | 6,000 |
| Total Support Services General Administration | 181,197 | 8,210 | 189,407 | 169,326 | 20,081 |
| Support Services School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | | | | | |
| Salaries of Secretarial and Clerical Assistants | 30,800 | (9,922) | 20,878 | 18,066 | 2,812 |
| Purchased Professional and Technical Services | 4,777 | 3,250 | 8,027 | 7,894 | 133 |
| Other Purchased Services | 6,600 | (178) | 6,422 | 2,379 | 4,043 |
| Supplies and Materials | 7,500 | (1,538) | 5,962 | 4,762 | 1,200 |
| Other Objects | 1,500 | 5,789 | 7,289 | 3,374 | 3,915 |
| Total Support Services School Administration | 51,177 | (2,599) | 48,578 | 36,475 | 12,103 |
| Undistributed Services - Central Services | | | | | |
| Salaries | 205,422 | (11,250) | 194,172 | 179,904 | 14,268 |
| Purchased Professional Services | 12,154 | | 12,154 | 11,768 | 386 |
| Purchased Technical Services | 2,500 | (508) | 1,992 | 172 | 1,820 |
| Miscellaneous Purchased Services | 9,450 | 3,028 | 12,478 | 9,194 | 3,284 |
| Supplies and Materials | 6,500 | 2,749 | 9,249 | 4,912 | 4,337 |
| Miscellaneous Expenditures | 1,000 | | 1,000 | | 1,000 |
| Total Central Services | 237,026 | (5,981) | 231,045 | 205,950 | 25,095 |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | Original Budget | Budget Transfers | Final Budget | Expenditures | Variance Final to Actual Favorable (Unfavorable) |
|--|--------------------|---------------------|-----------------|--------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| UNDISTRIBUTED EXPENDITURES: (Continued) | | | | | |
| Admin. Info. Technology | | | | | |
| Salaries | \$ 72,246 | \$ (1,788) | \$ 70,458 | \$ 69,673 | \$ 785 |
| Purchased Technical Services | 1,000 | (1,000) | | | |
| Other Purchased Services | 2,000 | 1,350 | 3,350 | 3,350 | |
| Supplies and Materials | 1,500 | 1,438 | 2,938 | 2,938 | |
| Total Admin. Info. Technology | 76,746 | | 76,746 | 75,961 | 785 |
| Required Maintenance for School Facilities | | | | | |
| Increase in Maintenance Reserve | | | | | |
| Cleaning, Repair and Maintenance Services | 15,765 | 22,855 | 38,620 | 29,342 | 9,278 |
| General Supplies | 2,000 | (668) | 1,332 | | 1,332 |
| Other Objects | | 51,096 | 51,096 | 1,125 | 49,971 |
| Total Required Maintenance for School Facilities | 17,765 | 73,283 | 91,048 | 30,467 | 60,581 |
| Custodial Services | | | | | |
| Salaries | 105,911 | 126,969 | 232,880 | 208,941 | 23,939 |
| Purchased Professional and Tech Services | 2,000 | 1,740 | 3,740 | 3,740 | |
| Cleaning/ Repair Maintenance | 7,700 | 54,161 | 61,861 | 12,137 | 49,724 |
| Misc. Purchased Services | 950 | (624) | 326 | 111 | 215 |
| General Supplies | 8,200 | 23,973 | 32,173 | 26,912 | 5,261 |
| Energy (Electricity) | 80,000 | 32,327 | 112,327 | 112,298 | 29 |
| Energy (Natural Gas) | 15,000 | 28,325 | 43,325 | 32,125 | 11,200 |
| Other Objects | 2,300 | (29) | 2,271 | 970 | 1,301 |
| Total Operating/ Maintenance Plant | 222,061 | 266,842 | 488,903 | 397,234 | 91,669 |
| Security | | | | | |
| Purchased Professional and Tech Services | | 3,750 | 3,750 | 3,750 | |
| General Supplies | | 16,395 | 16,395 | 16,395 | |
| Total Security | | 20,145 | 20,145 | 20,145 | |
| Student Transportation Services: | | | | | |
| Salaries of Non-Instructional Aides | 18,535 | 8,750 | 27,285 | 14,784 | 12,501 |
| Salaries for Pupil Transportation | | | | | |
| (Between Home and School) - Regular | 114,160 | 2,361 | 116,521 | 81,616 | 34,905 |
| Salaries for Pupil Transportation | | | | | |
| (Between Home and School) - Special | 90,769 | (37,774) | 52,995 | 41,805 | 11,190 |
| Salaries for Pupil Transportation | | | | | |
| (Other than Between Home and School) | 3,600 | (426) | 3,174 | | 3,174 |
| Salaries for Pupil Transportation | | | | | |
| (Between Home and School) - Nonpublic | 3,700 | (3,700) | | | |
| Management Fee- ESC Transportation Program | 4,160 | (4,100) | 60 | | 60 |
| Other Purchased Professional and Technical Services | 4,000 | | 4,000 | 400 | 3,600 |
| Cleaning, Repair, and Maintenance Services | 40,000 | (68) | 39,932 | 39,932 | |
| Contracted Services (Home/School) Vendors | 47,000 | 61,969 | 108,969 | 104,601 | 4,368 |
| Contracted Services (Special Ed) - Joint Agreements | 134,942 | 26,127 | 161,069 | 156,497 | 4,572 |
| Contracted Services- Aid in Lieu of Payments- Non-Public | 23,868 | (5,864) | 18,004 | 17,999 | 5 |
| Contracted Services- Aid in Lieu of Payments- Choice | 884 | (884) | | | |
| Miscellaneous Purchased Services - Transportation | 6,050 | (3,933) | 2,117 | | 2,117 |
| General Supplies | 98,279 | (38,917) | 59,362 | 53,848 | 5,514 |
| Miscellaneous Expenditures | 5,550 | 250 | 5,800 | 3,486 | 2,314 |
| Total Student Transportation Services | 595,497 | 3,791 | 599,288 | 514,968 | 84,320 |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | Original Budget | Budget Transfers | Final Budget | Expenditures | Variance Final to Actual Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|--------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CURRENT EXPENSES: (Continued) | | | | | |
| UNDISTRIBUTED EXPENDITURES: (Continued) | | | | | |
| PERSONAL SERVICES - EMPLOYEE BENEFITS: | | | | | |
| ALLOCATED BENEFITS: | | | | | |
| Improvement of Instructions Services: | | | | | |
| Other Employee Benefits | \$ | \$ | \$ | \$ | \$ |
| Support Services - General Administration | | | | | |
| Other Employee Benefits | | | | | |
| Support Services - Central Services | | | | | |
| Other Employee Benefits | | | | | |
| Total Allocated Benefits | | | | | |
| Unallocated Benefits - Employee Benefits | | | | | |
| Social Security Contributions | 69,658 | | 69,658 | 62,656 | 7,002 |
| Other Retirement Contributions - PERS | 90,000 | (12,030) | 77,970 | 66,180 | 11,790 |
| Workers Comp | 41,349 | | 41,349 | | 41,349 |
| Health Benefits | 883,281 | (17,194) | 866,087 | 780,016 | 86,071 |
| Tuition Reimbursement | 5,000 | 3,586 | 8,586 | 8,586 | |
| Other Employee Benefits | 72,675 | (49,209) | 23,466 | 14,572 | 8,894 |
| TOTAL UNALLOCATED BENEFITS | 1,161,963 | (74,847) | 1,087,116 | 932,010 | 155,106 |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS | 1,161,963 | (74,847) | 1,087,116 | 932,010 | 155,106 |
| On-behalf TPAF Pension Contribution (non-budgeted) | | | | 98,521 | (98,521) |
| On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted) | | | | 161,538 | (161,538) |
| Reimbursement TPAF Social Security Contributions (non-budgeted) | | | | 180,796 | (180,796) |
| Total Undistributed Expenditures | 5,849,113 | 325,197 | 6,174,310 | 6,002,056 | 172,254 |
| TOTAL EXPENDITURES - CURRENT EXPENSE | 7,913,591 | 469,784 | 8,383,375 | 8,122,439 | 260,936 |
| CAPITAL OUTLAY: | | | | | |
| EQUIPMENT: | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction | | 2,215 | 2,215 | 2,215 | |
| Special Education - Instruction: | | | | | |
| Support Services - Instructional Staff | | 31,739 | 31,739 | 31,739 | |
| School Administration | | 13,710 | 13,710 | 13,710 | |
| Central Services | | 2,305 | 2,305 | 2,305 | |
| Special Schools - (All Programs) | | 2,883 | 2,883 | 2,883 | |
| Total Equipment | | 52,852 | 52,852 | 52,852 | |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Expenditures</u> | <u>Variance Final to Actual Favorable (Unfavorable)</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|---|
| EXPENDITURES: (Continued) | | | | | |
| CAPITAL OUTLAY: | | | | | |
| FACILITIES ACQUISITION AND CONSTRUCTION SERVICES | | | | | |
| Land and Improvements | \$ 90,000 | \$ | \$ 90,000 | \$ | \$ 90,000 |
| TOTAL CAPITAL OUTLAY | <u>90,000</u> | <u>52,852</u> | <u>142,852</u> | <u>52,852</u> | <u>90,000</u> |
| TOTAL EXPENDITURES | <u>8,003,591</u> | <u>522,636</u> | <u>8,526,227</u> | <u>8,175,291</u> | <u>350,936</u> |
| Excess (Deficiency) of Revenues Over (Under) Budget | <u>(615,530)</u> | <u>(516,090)</u> | <u>(1,131,620)</u> | <u>(318,134)</u> | <u>813,486</u> |
| Operating Financing Sources (Uses) | | | | | |
| Operating Transfer Out - Food Service Deficit | <u>(25,000)</u> | | <u>(25,000)</u> | <u>(25,000)</u> | |
| Total Other Financing Sources (Uses) | <u>(25,000)</u> | | <u>(25,000)</u> | <u>(25,000)</u> | |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | <u>(640,530)</u> | <u>(516,090)</u> | <u>(1,156,620)</u> | <u>(343,134)</u> | <u>813,486</u> |
| Fund Balances, July 1 | <u>1,843,849</u> | | <u>1,843,849</u> | <u>1,843,849</u> | |
| Fund Balances, June 30 | <u>\$ 1,203,319</u> | <u>\$ (516,090)</u> | <u>\$ 687,229</u> | <u>\$ 1,500,715</u> | <u>\$ 813,486</u> |
| Recapitulation: | | | | | |
| Restricted Fund Balance: | | | | | |
| Maintenance Reserve | | | | \$ 355,292 | |
| Emergency Reserve | | | | 250,000 | |
| Tuition Reserve - 2013-14 | | | | 245,000 | |
| Assigned Fund Balance: | | | | | |
| Year-end Encumbrances | | | | 27,663 | |
| Tuition Reserve - Designated for Subsequent Year's Expenditures | | | | 245,875 | |
| Capital Reserve - Designated for Subsequent Year's Expenditures | | | | 90,000 | |
| Designated for Subsequent Year's Expenditures | | | | 213,637 | |
| Unassigned Fund Balance | | | | <u>73,248</u> | |
| | | | | 1,500,715 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment Recognized on GAAP Basis | | | | (454,861) | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 1,045,854</u> | |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|----------------|--------------------------------|
| REVENUES: | | | | | |
| Federal Sources | \$ 186,479 | \$ 101,204 | \$ 287,683 | \$ 287,683 | \$ |
| State Sources | 143,025 | | 143,025 | 143,025 | |
| Total Revenues | 329,504 | 101,204 | 430,708 | 430,708 | |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 137,555 | (11,533) | 126,022 | 126,022 | |
| Salaries - Extra Pay | | 2,870 | 2,870 | 2,870 | |
| Salaries - Other Instructional | 24,585 | | 24,585 | 24,585 | |
| Supplies and Materials | 15,152 | 1,220 | 16,372 | 16,372 | |
| General Supplies | 6,449 | 33,953 | 40,402 | 40,402 | |
| Total Instruction | 183,741 | 26,510 | 210,251 | 210,251 | |
| Support Services | | | | | |
| Salaries of Teachers | 8,032 | 5,755 | 13,787 | 13,787 | |
| Salaries Project Coordinator | | 5,683 | 5,683 | 5,683 | |
| Group Insurance | 28,247 | (184) | 28,063 | 28,063 | |
| Social Security Contributions | 1,881 | 246 | 2,127 | 2,127 | |
| Coordinator FICA | | 409 | 409 | 409 | |
| State Share FICA | 5,541 | (442) | 5,099 | 5,099 | |
| TPAF Contributions | 8,945 | (1,341) | 7,604 | 7,604 | |
| Purchased Professional - Educational Services | 93,117 | 42,463 | 135,580 | 135,580 | |
| Total Support Services | 145,763 | 52,589 | 198,352 | 198,352 | |
| Facilities Acquisition and Construction Services: | | | | | |
| Buildings | | | | | |
| Instructional Equipment | | 22,105 | 22,105 | 22,105 | |
| Non-instructional Equipment | | | | | |
| Total Facilities Acquisition and Construction Services | | 22,105 | 22,105 | 22,105 | |
| Total Expenditures | 329,504 | 101,204 | 430,708 | 430,708 | |
| Other Financing Sources (Uses) | | | | | |
| Total Outflows | 329,504 | 101,204 | 430,708 | 430,708 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | | |
| Expenditures and Other Financing Sources (Uses) | \$ | \$ | \$ | \$ | \$ |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" | | |
| from the budgetary comparison schedule | [C-1] \$ 7,857,157 | [C-2] \$ 430,708 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that | | |
| encumbrances are recognized as expenditures, and the related | | |
| revenue is recognized. | Prior Year | |
| | Current Year | |
| State aid payment recognized for GAAP statements in the current year, | | |
| previously recognized for budgetary purposes. | 444,428 | 12,078 |
| State aid payment recognized for budgetary purposes, not | | |
| recognized for GAAP statements until the subsequent year. | (454,861) | (14,303) |
| Total revenues as reported on the statement of revenues, expenditures | | |
| and changes in fund balances - governmental funds. | [B-2] \$ 7,846,724 | [B-2] \$ 428,483 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the | | |
| budgetary comparison schedule | [C-1] \$ 8,175,291 | [C-2] \$ 430,708 |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but | | |
| not received are reported in the year the order is placed for | | |
| <i>budgetary</i> purposes, but in the year the supplies are received | | |
| for <i>financial reporting</i> purposes. | | |
| Transfers to and from other funds are presented as outflows of | | |
| budgetary resources but are not expenditures | | |
| for financial reporting purposes. | | |
| Net transfers (outflows) to general fund | | |
| Total expenditures as reported on the statement of revenues, | | |
| expenditures, and changes in fund balances - governmental funds. | [B-2] \$ 8,175,291 | [B-2] \$ 430,708 |

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

EXHIBIT E-1

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | NCLB Title I Part A | I.D.E.A.- Part B-Basic Reg Prog | I.D.E.A. Part B Carryover | Title II A | Rural Education Achievement Program | Preschool Education Aid | Totals 2014 |
|----------------------------------|---------------------------|--|---------------------------------|------------|--|-------------------------------|----------------|
| REVENUES: | | | | | | | |
| Federal Sources | \$ 115,039 | \$ 128,689 | \$ 3,391 | \$ 24,149 | \$ 16,415 | | \$ 287,683 |
| State Sources | | | | | | \$ 143,025 | 143,025 |
| Total Revenues | 115,039 | 128,689 | 3,391 | 24,149 | 16,415 | 143,025 | 430,708 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | 32,886 | | | 19,976 | | 73,160 | 126,022 |
| Salaries - Extra Pay | 2,870 | | | | | 24,585 | 27,455 |
| Supplies and Materials | 40,402 | | | | | 16,372 | 56,774 |
| Total Instruction | 76,158 | | | 19,976 | | 114,117 | 210,251 |
| Support Services: | | | | | | | |
| Salary of Teachers | | | | | 13,787 | | 13,787 |
| Salary Project Coordinator | 5,343 | | | 340 | | | 5,683 |
| Group Insurance | 1,036 | | | | | 27,027 | 28,063 |
| Social Sec Contributions | 220 | | | 26 | | 1,881 | 2,127 |
| Coordinator FICA | 409 | | | | | | 409 |
| State Share FICA | 2,516 | | | 1,528 | 1,055 | | 5,099 |
| TPAF Contrib | 3,752 | | | 2,279 | 1,573 | | 7,604 |
| Purchased Prof/Educ Services | 3,500 | 128,689 | 3,391 | | | | 135,580 |
| Total Support Services | 16,776 | 128,689 | 3,391 | 4,173 | 16,415 | 28,908 | 198,352 |
| Facilities Acq/Construction | | | | | | | |
| Instructional Equipment | 22,105 | | | | | | 22,105 |
| Total Facilities Acq/Constructio | 22,105 | | | | | | 22,105 |
| Total Expenditures | \$ 115,039 | \$ 128,689 | \$ 3,391 | \$ 24,149 | \$ 16,415 | \$ 143,025 | \$ 430,708 |

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

EXHIBIT G-1

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014 AND 2013

| | <u>2014</u> | <u>2013</u> |
|-------------------------------------|------------------|------------------|
| ASSETS: | | |
| Current Assets: | | |
| Cash | \$ 20,685 | \$ 37,112 |
| Accounts Receivable: | | |
| State | 416 | 442 |
| Federal | 18,221 | 17,735 |
| Other | | 153 |
| Interfund Receivable | 9,111 | |
| Inventories | 1,825 | 2,109 |
| Total Current Assets | <u>50,258</u> | <u>57,551</u> |
| Fixed Assets: | | |
| Equipment | 64,557 | 64,557 |
| Accumulated Depreciation | 36,685 | 33,694 |
| Total Fixed Assets | <u>27,872</u> | <u>30,863</u> |
| Total Assets | <u>\$ 78,130</u> | <u>\$ 88,414</u> |
| LIABILITIES AND FUND EQUITY: | | |
| Current Liabilities: | | |
| Unearned Revenue | \$ 422 | \$ 893 |
| Compensated Absences | 2,126 | 2,042 |
| Accounts Payable | 5,222 | 3,765 |
| Total Liabilities | <u>7,770</u> | <u>6,700</u> |
| Net Position | | |
| Investment in Fixed Assets | 27,872 | 30,863 |
| Reserve for Equipment Purchases | | 20,000 |
| Net Position | 42,488 | 30,851 |
| | <u>70,360</u> | <u>81,714</u> |
| Total Liabilities and Fund Equity | <u>\$ 78,130</u> | <u>\$ 88,414</u> |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

| | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|
| OPERATING REVENUES: | | |
| Local Sources: | | |
| Daily Sales - Reimbursable Programs: | | |
| School Lunch Program | \$ 33,214 | \$ 32,775 |
| School Breakfast Program | 6,679 | 5,134 |
| Total Daily Sales - Reimbursable Programs | 39,893 | 37,909 |
| Daily Sales Non-Reimbursable Programs | 13,716 | 17,328 |
| Special Functions | 155 | 41 |
| Total Operating Revenue | 53,764 | 55,278 |
| OPERATING EXPENSES: | | |
| Salaries | 76,740 | 60,442 |
| Employee Benefits | 25,757 | 17,062 |
| Supplies and Materials | 4,587 | 5,705 |
| Depreciation | 2,991 | 2,991 |
| Cost of Sales | 64,609 | 47,739 |
| Consulting Fee | 11,121 | 10,978 |
| Repairs and Other Expenses | 3,888 | 3,776 |
| Total Operating Expenses | 189,693 | 148,693 |
| Operating Loss | (135,929) | (93,415) |
| Non-Operating Revenues: | | |
| State Sources: | | |
| School Lunch Program | 1,707 | 1,809 |
| Federal Sources: | | |
| School Breakfast Program | 23,386 | 21,191 |
| National School Lunch Program | 63,024 | 65,582 |
| Food Distribution Program | 11,875 | 10,929 |
| Prior Year Revenue Adjustment | (417) | |
| Total Non-Operating Revenues | 99,575 | 99,511 |
| Net Income before Operating Transfers and Adjustments | (36,354) | 6,096 |
| Operating Transfer In - General Fund | 25,000 | 25,000 |
| Net Income | (11,354) | 31,096 |
| Net Position - July 1 | 81,714 | 50,618 |
| Net Position - June 30 | \$ 70,360 | \$ 81,714 |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2014 AND 2013

| | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------|
| Cash Flows from Operating Activities: | | |
| Operating Income (Loss) | \$ (135,929) | \$ (93,415) |
| Adjustments to Reconcile Operating Income (Loss) | | |
| to Cash Used by Operating Activities: | | |
| Depreciation | 2,991 | 2,991 |
| Food Distribution Program | 11,875 | 10,929 |
| Change in Assets and Liabilities: | | |
| (Increase) Decrease in Accounts Receivable | (9,418) | (3,940) |
| (Increase) Decrease in Inventory | 284 | 371 |
| (Increase) Decrease in Other | | |
| Increase (Decrease) in Interfund Receivable | | |
| Increase (Decrease) in Unearned Revenue | (471) | (276) |
| Increase (Decrease) in Compensated Absences | 84 | 246 |
| Increase (Decrease) in Accounts Payable | 1,457 | 2,944 |
| | <u>(129,127)</u> | <u>(80,150)</u> |
| Net Cash Used by Operating Activities | | |
| Cash Flows from Non-capital Financing Activities: | | |
| Cash Received from State and Federal Reimbursements | 88,117 | 88,582 |
| Cash Received from General Fund Operating | | |
| Operating Transfer In | 25,000 | 25,000 |
| Prior Year Revenue Adjustment | (417) | |
| | <u>112,700</u> | <u>113,582</u> |
| Net Cash Provided by Non-capital Financing Activities | | |
| Cash Flows from Capital and Related Financing Activities | | |
| Fixed Assets (Purchased) Sold | | |
| | | |
| Net Cash Provided by Capital and Related Financing Activities | | |
| Cash Flows from Investing Activities | | |
| Interest on Investments | | |
| | | |
| Net Cash Provided by Investing Activities | | |
| Net Increase in Cash | (16,427) | 33,432 |
| Cash and Cash Equivalents, July 1 | 37,112 | 3,680 |
| Cash and Cash Equivalents, June 30 | <u>\$ 20,685</u> | <u>\$ 37,112</u> |

EXHIBIT G-4

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

| | <u>2014</u> | <u>2013</u> |
|---------------------------------------|-------------|------------------|
| ASSETS: | | |
| Cash and Cash Equivalents | \$ | \$ |
| Intergovernmental Accounts Receivable | | 34,007 |
| Total Assets | <u>\$ 0</u> | <u>\$ 34,007</u> |
| LIABILITIES: | | |
| Interfund Payable | \$ 0 | \$ 34,007 |
| Total Liabilities | <u>\$ 0</u> | <u>\$ 34,007</u> |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | |
|--------------------------|--------------------------------|
| | <u>2014</u> |
| OPERATING REVENUES: | |
| Superintendent Services | |
| LEAs Within the State | \$ |
| | <u> </u> |
| Total Operating Revenue | <u> </u> |
| OPERATING EXPENSES: | |
| Salaries | |
| Employee Benefits | |
| | <u> </u> |
| Total Operating Expenses | <u> </u> |
| Net Income (Loss) | <u> </u> |
| Net Position - July 1 | <u> </u> |
| Net Position - June 30 | \$ <u> </u> |

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

| | <u>Expendable Trust Unemployment</u> | <u>Student Activity</u> | <u>Payroll</u> | <u>Total 2014</u> | <u>Total 2013</u> |
|--|--|-----------------------------|------------------|-----------------------|-----------------------|
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 236,718 | \$ 40,490 | \$ 24,217 | \$ 301,425 | \$ 317,077 |
| Total Assets | <u>\$ 236,718</u> | <u>\$ 40,490</u> | <u>\$ 24,217</u> | <u>\$ 301,425</u> | <u>\$ 317,077</u> |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Payroll Deductions Payable | \$ 1,737 | \$ | \$ 24,217 | \$ 25,954 | \$ 26,757 |
| Due to Student Groups | | 40,490 | | 40,490 | 61,620 |
| Total Liabilities | <u>1,737</u> | <u>40,490</u> | <u>24,217</u> | <u>66,444</u> | <u>88,377</u> |
| Fund Balances: | | | | | |
| Reserved for Unemployment Claims | <u>234,981</u> | | | <u>234,981</u> | <u>228,700</u> |
| Total Liabilities and Fund Balances | <u>\$ 236,718</u> | <u>\$ 40,490</u> | <u>\$ 24,217</u> | <u>\$ 301,425</u> | <u>\$ 317,077</u> |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE
EXPENDABLE TRUST FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

| | <u>2014</u> | <u>2013</u> |
|--|-----------------------|-----------------------|
| OPERATING REVENUES: | | |
| Local Sources: | | |
| Contribution | \$ | \$ |
| Interest on Investments and Deductions | | |
| Unemployment Deductions | 10,937 | 10,081 |
| | <u>10,937</u> | <u>10,081</u> |
| OPERATING EXPENSES: | | |
| Unemployment Compensation Expenses | 4,656 | 14,990 |
| | <u>4,656</u> | <u>14,990</u> |
| Total Operating Expenses | 6,281 | (4,909) |
| | <u>6,281</u> | <u>(4,909)</u> |
| Operating Income (Loss) | 228,700 | 233,609 |
| | <u>228,700</u> | <u>233,609</u> |
| Net Income (Loss) | 6,281 | (4,909) |
| | <u>6,281</u> | <u>(4,909)</u> |
| Fund Balances, July 1 | 228,700 | 233,609 |
| | <u>228,700</u> | <u>233,609</u> |
| Fund Balances, June 30 | \$ 234,981 | \$ 228,700 |
| | <u><u>234,981</u></u> | <u><u>228,700</u></u> |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Balance July 1, 2013</u> | <u>Cash Receipts</u> | <u>Accounts Receivable</u> | <u>Cash Disbursements</u> | <u>Interfund Payable</u> | <u>Balance June 30, 2014</u> |
|---------------------------|--|---------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|---|
| ELEMENTARY SCHOOLS | \$ 61,620 | \$ 46,210 | \$ 60 | \$ 67,222 | \$ 178 | \$ 40,490 |

Analysis of June 30, 2014 Balance:

| | |
|--------------------------|------------------|
| Band | \$ 1,529 |
| Student Council | 981 |
| Yearbook | 2,775 |
| Grade 8 Trip | 9 |
| Class Trips | 3,492 |
| Miscellaneous | 2,901 |
| Principal | 473 |
| Sports Club | 1,044 |
| AED Fund | 1,599 |
| Art | 1,901 |
| Photo Club | 229 |
| Drama Club | 725 |
| Bridges | 18 |
| MRTES Supplies/Texts | 22,695 |
| Positive Behavior System | 119 |
| | <u>\$ 40,490</u> |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Balance June 30, 2013</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2014</u> |
|-------------------------------------|---|-------------------------|-------------------------|---|
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 25,126 | \$ 2,379,048 | \$ 2,379,957 | \$ 24,217 |
| Total Assets | <u>\$ 25,126</u> | <u>\$ 2,379,048</u> | <u>\$ 2,379,957</u> | <u>\$ 24,217</u> |
| LIABILITIES: | | | | |
| Payroll Deductions and Withholdings | \$ 25,126 | \$ 2,379,048 | \$ 2,379,957 | \$ 24,217 |
| Total Liabilities | <u>\$ 25,126</u> | <u>\$ 2,379,048</u> | <u>\$ 2,379,957</u> | <u>\$ 24,217</u> |

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.

EXHIBIT I-1

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
GENERAL LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2014

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance | Issued | Redeemed | Balance |
|-----------------|-----------------|-----------------|-------------------|------------|---------------|--------------|--------|------------|---------------|
| | | | Date | Amount | | July 1, 2013 | | | June 30, 2014 |
| Refunding Bonds | January 1, 2007 | \$ 1,950,000 | 01/01/15 | \$ 140,000 | Various | \$ 1,290,000 | \$ | \$ 125,000 | \$ 1,165,000 |
| | | | 1/1/16 | 150,000 | | | | | |
| | | | 1/1/17 | 145,000 | | | | | |
| | | | 1/1/18 | 150,000 | | | | | |
| | | | 1/1/19 | 150,000 | | | | | |
| | | | 1/1/20 | 145,000 | | | | | |
| | | | 1/1/21 | 145,000 | | | | | |
| | | | 1/1/22 | 140,000 | | | | | |
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TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------|-------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 92,151 | \$ | \$ 92,151 | \$ 92,151 | \$ |
| Total Revenues - Local Sources | 92,151 | | 92,151 | 92,151 | |
| State Sources: | | | | | |
| Debt Service Aid Type II | 87,462 | | 87,462 | 87,462 | |
| Total Revenues - State Sources | 87,462 | | 87,462 | 87,462 | |
| Total Revenues | 179,613 | | 179,613 | 179,613 | |
| EXPENDITURES | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 54,613 | | 54,613 | 54,613 | |
| Redemption of Principal | 125,000 | | 125,000 | 125,000 | |
| Total Regular Debt Service | 179,613 | | 179,613 | 179,613 | |
| Total Expenditures | 179,613 | | 179,613 | 179,613 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| Fund Balances, July 1 | | | | | |
| Fund Balances, June 30 | \$ | \$ | \$ | \$ | \$ |

STATISTICAL SECTION

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | | |
|---|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Governmental Activities | | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 1,396,733 | \$ 1,576,756 | \$ 1,479,229 | \$ 1,599,003 | \$ 1,558,829 | \$ 1,621,144 | \$ 1,715,883 | \$ 1,959,264 | \$ 1,867,798 | \$ 1,793,120 | \$ 1,795,882 |
| Restricted | 731,461 | 881,244 | 1,291,433 | 831,590 | 1,082,525 | 1,468,080 | 1,324,339 | 1,307,033 | 1,376,839 | 1,491,397 | 1,413,164 |
| Unrestricted | 47,706 | 22,632 | (238,391) | 186,131 | 136,764 | (32,836) | 158,387 | (76,497) | 19,394 | (199,578) | (469,365) |
| Total Governmental Activities Net Position | \$ 2,175,900 | \$ 2,480,632 | \$ 2,532,271 | \$ 2,616,724 | \$ 2,778,118 | \$ 3,056,388 | \$ 3,198,609 | \$ 3,189,800 | \$ 3,264,031 | \$ 3,084,939 | \$ 2,739,681 |
| Business-Type Activities | | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 17,118 | \$ 13,992 | \$ 13,151 | \$ 10,458 | \$ 5,505 | \$ 3,938 | \$ 3,570 | \$ 35,747 | \$ 33,854 | \$ 50,863 | \$ 27,872 |
| Restricted | | | | | | | 46,222 | 13,252 | | | |
| Unrestricted | 68,674 | 83,287 | 87,060 | 76,426 | 67,810 | 70,093 | 49,383 | 4,300 | 16,764 | 30,851 | 42,488 |
| Total Business-Type Activities Net Position | \$ 85,792 | \$ 97,279 | \$ 100,211 | \$ 86,884 | \$ 73,315 | \$ 74,031 | \$ 99,175 | \$ 53,299 | \$ 50,618 | \$ 81,714 | \$ 70,360 |
| District-Wide | | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 1,413,851 | \$ 1,590,748 | \$ 1,492,380 | \$ 1,609,461 | \$ 1,564,334 | \$ 1,625,082 | \$ 1,719,453 | \$ 1,995,011 | \$ 1,901,652 | \$ 1,843,983 | \$ 1,823,754 |
| Restricted | 731,461 | 881,244 | 1,023,415 | 831,590 | 1,082,525 | 1,468,080 | 1,370,561 | 1,320,285 | 1,376,839 | 1,491,397 | 1,413,164 |
| Unrestricted | 116,380 | 105,919 | 116,687 | 262,557 | 204,574 | 37,257 | 207,770 | (72,197) | 36,158 | (168,727) | (426,877) |
| Total District-Wide Net Position | \$ 2,261,692 | \$ 2,577,911 | \$ 2,632,482 | \$ 2,703,608 | \$ 2,851,433 | \$ 3,130,419 | \$ 3,297,784 | \$ 3,243,099 | \$ 3,314,649 | \$ 3,166,653 | \$ 2,810,041 |

Source: CAFR Schedule A-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 1,791,018 | 1,286,716 | 1,786,160 | 1,979,230 | 2,088,195 | 2,037,109 | 2,188,970 | 1,739,030 | 1,896,048 | 1,871,215 |
| Special Education | 384,768 | 776,840 | 436,754 | 325,840 | 312,532 | 286,083 | 223,979 | 357,011 | 374,806 | 453,675 |
| Other Special Instruction | 17,329 | 45,096 | 48,056 | 30,915 | 20,014 | 109,136 | 18,652 | 50,410 | 22,958 | 5,744 |
| Support Services | | | | | | | | | | |
| Tuition | 1,409,675 | 1,642,713 | 1,730,876 | 1,364,450 | 1,455,397 | 1,668,910 | 2,055,731 | 2,320,553 | 2,478,241 | 2,776,199 |
| Student and Instruction Related Services | 578,015 | 631,946 | 589,637 | 557,389 | 528,766 | 508,509 | 460,082 | 516,084 | 565,657 | 557,925 |
| General Administrative Services | 192,203 | 207,828 | 195,913 | 211,137 | 183,034 | 179,515 | 121,826 | 123,993 | 122,213 | 169,326 |
| School Administrative Services | 36,627 | 74,488 | 72,577 | 66,475 | 63,110 | 64,211 | 112,955 | 116,005 | 143,405 | 112,436 |
| Central Services | | 171,447 | 168,566 | 177,485 | 177,822 | 200,288 | 195,722 | 210,545 | 215,043 | 205,950 |
| Plant Operations and Maintenance | 506,813 | 455,179 | 419,362 | 560,942 | 485,532 | 410,904 | 462,502 | 465,310 | 484,411 | 427,701 |
| Security | | | | | | | | 20,500 | 75,890 | 20,145 |
| Pupil Transportation | 406,285 | 346,855 | 372,291 | 453,603 | 459,348 | 404,256 | 446,627 | 476,343 | 414,111 | 514,968 |
| Employee Benefits | 1,433,535 | 1,493,065 | 1,765,118 | 1,955,649 | 1,493,705 | 1,756,327 | 1,163,964 | 1,213,044 | 1,410,958 | 1,411,111 |
| Business and Other Support Services | 25,532 | | | | | | | | | |
| Amortization of Debt Issue Costs | 2,000 | 2,000 | 2,000 | 12,400 | 4,400 | 4,400 | 4,400 | 4,400 | | |
| Interest on Long-Term Debt | 203,617 | 121,072 | 122,051 | 65,429 | 83,821 | 75,261 | 66,213 | 61,713 | 57,013 | 51,488 |
| Unallocated Depreciation and Amortization | 196,343 | 184,989 | 216,094 | 203,295 | 195,329 | 190,504 | 212,801 | 224,697 | 202,145 | 197,195 |
| Loss on Disposition of Capital Assets | 38,891 | | | | | | | | | |
| Total Governmental Activities Expenses | 7,222,651 | 7,440,234 | 7,925,455 | 7,964,239 | 7,551,005 | 7,895,413 | 7,734,424 | 7,899,638 | 8,462,899 | 8,775,078 |
| Business-Type Activities | | | | | | | | | | |
| Food Service | 150,573 | 161,701 | 166,827 | 173,817 | 172,588 | 171,314 | 172,832 | 214,054 | 148,693 | 189,693 |
| Total Business-Type Activities Expense | 150,573 | 161,701 | 166,827 | 173,817 | 172,588 | 171,314 | 172,832 | 214,054 | 148,693 | 189,693 |
| Total District Expenses | \$ 7,373,224 | 7,601,935 | 8,092,282 | 8,138,056 | 7,723,593 | 8,066,727 | 7,907,256 | 8,113,692 | 8,611,592 | 8,964,771 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Operating Grants and Contributions | \$ 683,432 | 670,642 | 1,277,900 | 1,296,936 | 718,326 | 823,201 | 756,947 | 762,855 | 903,559 | 849,458 |
| Total Governmental Activities Program Revenues | 683,432 | 670,642 | 1,277,900 | 1,296,936 | 718,326 | 823,201 | 756,947 | 762,855 | 903,559 | 849,458 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 67,397 | 73,371 | 67,960 | 70,458 | 73,122 | 61,009 | 49,151 | 58,966 | 55,278 | 53,764 |
| Operating Grants and Contributions | 64,663 | 63,586 | 58,267 | 63,631 | 75,020 | 75,449 | 77,805 | 87,407 | 99,511 | 99,575 |
| Total Business-Type Activities Program Revenues | 132,060 | 136,957 | 126,227 | 134,089 | 148,142 | 136,458 | 126,956 | 146,373 | 154,789 | 153,339 |
| Total District Program Revenues | \$ 815,492 | 807,599 | 1,404,127 | 1,431,025 | 866,468 | 959,659 | 883,903 | 909,228 | 1,058,348 | 1,002,797 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (6,539,219) | (6,769,592) | (6,647,555) | (6,667,303) | (6,832,679) | (7,072,212) | (6,977,477) | (7,136,783) | (7,559,340) | (7,925,620) |
| Business-Type Activities | (18,513) | (24,744) | (40,600) | (39,728) | (24,446) | (34,856) | (45,876) | (67,681) | 6,096 | (36,354) |
| Total District-Wide Net Expense | \$ (6,557,732) | (6,794,336) | (6,688,155) | (6,707,031) | (6,857,125) | (7,107,068) | (7,023,353) | (7,204,464) | (7,553,244) | (7,961,974) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes Levied for General Purposes, net | \$ 2,171,031 | 2,268,985 | 2,389,168 | 2,414,644 | 2,466,484 | 2,528,781 | 2,528,781 | 2,545,856 | 2,612,637 | 2,612,637 |
| Taxes Levied for Debt Service | 106,299 | 104,553 | 102,808 | 105,333 | 107,833 | 79,454 | 91,535 | 91,844 | 92,045 | 92,151 |
| Unrestricted Grants and Contributions | 4,392,857 | 4,435,904 | 3,972,315 | 4,136,051 | 4,335,341 | 4,308,255 | 4,153,583 | 4,545,654 | 4,636,135 | 4,836,896 |
| Tuition Received | 23,499 | 37,767 | 34,287 | 15,900 | 49,424 | | 8,844 | 3,379 | 37,669 | |
| Transportation Charges | 131,795 | 114,682 | 129,466 | 124,467 | 164,912 | 181,396 | 103,846 | 47,721 | 60,644 | 62,805 |
| Investment Earnings | 19,580 | 39,926 | 54,428 | 33,298 | 12,452 | 1,309 | 167 | 38 | 52 | 43 |
| Miscellaneous Income | 28,890 | 5,266 | 41,690 | 24,004 | 1,078 | 175,238 | 81,912 | 41,522 | 10,066 | 830 |
| Fixed Asset Adjustment | | (160,852) | 32,846 | | (1,575) | | | | | |
| Transfers | (30,000) | (25,000) | (25,000) | (25,000) | (25,000) | (60,000) | | (65,000) | | |
| Total Governmental Activities | 6,843,951 | 6,821,231 | 6,732,008 | 6,828,697 | 7,110,949 | 7,214,433 | 6,968,668 | 7,211,014 | 7,449,248 | 7,605,362 |
| Business-Type Activities | | | | | | | | | | |
| Miscellaneous Income | | 2,676 | 2,273 | 1,159 | 162 | | | | | |
| Transfer | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 | 60,000 | | 65,000 | | |
| Total Business-Type Activities | 30,000 | 27,676 | 27,273 | 26,159 | 25,162 | 60,000 | | 65,000 | | |
| Total District-Wide | \$ 6,873,951 | 6,848,907 | 6,759,281 | 6,854,856 | 7,136,111 | 7,274,433 | 6,968,668 | 7,276,014 | 7,449,248 | 7,605,362 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 304,732 | 51,639 | 84,453 | 161,394 | 278,270 | 142,221 | (8,809) | 74,231 | (110,092) | (320,258) |
| Business-Type Activities | 11,487 | 2,932 | (13,327) | (13,569) | 716 | 25,144 | (45,876) | (2,681) | 6,096 | (36,354) |
| Total District-Wide | \$ 316,219 | 54,571 | 71,126 | 147,825 | 278,986 | 167,365 | (54,685) | 71,550 | (103,996) | (356,612) |

Source: CAFR Schedule A-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--------------------------------|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2012 | 2013 |
| General Fund | | | | | | | | | | |
| Restricted: | \$ 1,129,094 | \$ 1,023,415 | \$ 831,590 | \$ 1,268,288 | \$ 1,687,964 | \$ 1,763,771 | \$ 1,455,595 | \$ 1,620,036 | \$ 1,630,212 | |
| Maintenance Reserve | | | | | | | | | | 355,292 |
| Emergency Reserve | | | | | | | | | | 250,000 |
| Tuition Reserve | | | | | | | | | | 245,000 |
| Assigned: | | | | | | | | | | |
| Encumbrances | | | | | | | | | | 27,663 |
| Tuition Reserve | | | | | | | | | | 245,875 |
| Capital Reserve | | | | | | | | | | 90,000 |
| Subsequent Year's Expenditures | | | | | | | | | | 213,637 |
| Unassigned | (30,524) | 242,360 | 409,117 | 80,974 | (131,016) | (148,982) | (128,940) | (130,234) | (230,791) | (381,613) |
| Total General Fund | \$ 1,098,570 | \$ 1,265,775 | \$ 1,240,707 | \$ 1,349,262 | \$ 1,556,948 | \$ 1,614,789 | \$ 1,326,655 | \$ 1,489,802 | \$ 1,399,421 | \$ 1,045,854 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Unreserved, Reported in: | | | | | | | | | | |
| Debt Service Fund | | | | 21,581 | 21,582 | 3 | 3 | | | |
| Special Revenue Fund | (17,941) | (17,941) | (17,941) | (20,816) | (10,148) | (10,148) | (10,031) | (12,767) | (12,078) | (14,303) |
| Total All Other Governmental F | \$ (17,941) | \$ (17,941) | \$ (17,941) | \$ 765 | \$ 11,434 | \$ (10,145) | \$ (10,028) | \$ (12,767) | \$ (12,078) | \$ (14,303) |

Source: CAFR Schedule B-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|------------------|---------------------|-------------------|--------------------|---------------------|
| Revenues | | | | | | | | | | | |
| Tax Levy | \$ 2,266,914 | \$ 2,277,330 | \$ 2,373,538 | \$ 2,373,538 | \$ 2,519,977 | \$ 2,574,317 | \$ 2,608,235 | \$ 2,620,316 | \$ 2,637,700 | \$ 2,704,682 | \$ 2,704,788 |
| Tuition Charges - Other LEAs | 18,412 | 23,499 | 37,767 | 34,287 | 5,749 | 36,731 | | 8,844 | 3,379 | 37,669 | |
| Tuition Charges - From Individuals | | | | | 10,151 | 12,693 | | | | | |
| Transportation Charges | 123,317 | 131,795 | 114,682 | 129,466 | 124,467 | 164,912 | 181,396 | 103,846 | 47,721 | 60,644 | 62,805 |
| Interest Earnings | 5,054 | 19,580 | 39,926 | 54,428 | 33,298 | 12,452 | 1,309 | 167 | 38 | 52 | 43 |
| Miscellaneous | 76,054 | 2,838 | 5,266 | 41,690 | 24,004 | 1,078 | 175,238 | 81,912 | 41,522 | 10,666 | 830 |
| State Sources | 4,562,144 | 4,755,676 | 4,796,028 | 4,966,374 | 5,197,226 | 4,773,957 | 4,158,825 | 4,578,975 | 4,904,983 | 5,251,836 | 5,398,671 |
| Federal Sources | 266,662 | 320,613 | 310,518 | 283,841 | 235,761 | 279,710 | 972,631 | 331,555 | 403,526 | 287,858 | 287,683 |
| Total Revenues | 7,318,557 | 7,531,331 | 7,677,725 | 7,883,624 | 8,150,633 | 7,855,850 | 8,097,634 | 7,725,615 | 8,038,869 | 8,353,407 | 8,454,820 |
| Expenditures | | | | | | | | | | | |
| Instruction | | | | | | | | | | | |
| Regular Instruction | 1,901,216 | 1,791,018 | 1,725,158 | 1,786,160 | 1,979,230 | 2,088,195 | 2,037,109 | 2,188,970 | 1,739,030 | 1,896,048 | 1,871,215 |
| Special Education Instruction | 260,288 | 384,768 | 338,398 | 436,754 | 325,840 | 312,532 | 286,083 | 223,979 | 357,011 | 374,806 | 453,675 |
| Other Special Instruction | 28,707 | 17,329 | 45,096 | 48,056 | 30,915 | 20,014 | 109,136 | 18,652 | 50,410 | 22,958 | 5,744 |
| Support Services | | | | | | | | | | | |
| Tuition | 1,382,644 | 1,409,675 | 1,642,713 | 1,730,876 | 1,364,450 | 1,455,397 | 1,668,910 | 2,055,731 | 2,320,553 | 2,478,241 | 2,776,199 |
| Student and Instruction Related Services | 485,022 | 578,015 | 631,946 | 589,637 | 557,389 | 528,766 | 508,509 | 460,082 | 516,084 | 565,657 | 557,925 |
| General Administrative Services | 240,884 | 192,203 | 207,828 | 195,913 | 211,137 | 183,034 | 179,515 | 121,826 | 123,993 | 122,213 | 169,326 |
| School Administrative Services | 77,838 | 36,627 | 74,488 | 72,577 | 66,475 | 63,110 | 64,211 | 112,955 | 116,005 | 143,405 | 112,436 |
| Central Services | | | 171,447 | 168,566 | 177,485 | 177,822 | 200,288 | 195,722 | 210,545 | 215,043 | 205,950 |
| Plant Operations and Maintenance | 421,893 | 506,813 | 455,179 | 419,362 | 560,942 | 485,532 | 410,904 | 462,502 | 465,310 | 484,411 | 427,701 |
| Security | | | | | | | | | 20,500 | 75,890 | 20,145 |
| Pupil Transportation | 512,503 | 476,310 | 346,855 | 372,291 | 453,603 | 459,348 | 404,256 | 446,627 | 476,343 | 414,111 | 514,968 |
| Business and Other Support Services | 193,756 | 224,992 | | | | | | 1,201,991 | 1,220,430 | 1,437,839 | 1,415,758 |
| Unallocated Employee Benefits | 1,247,091 | 1,433,535 | 1,466,223 | 1,754,821 | 1,963,323 | 1,507,039 | 1,756,513 | 346,182 | 18,231 | 7,467 | 74,957 |
| Capital Outlay | 37,441 | 17,294 | 116,368 | 167,382 | 54,549 | 77,125 | 120,358 | | | | |
| Debt Service | | | | | | | | | | | |
| Principal | 125,221 | 128,478 | 131,946 | 135,640 | 174,572 | 168,760 | 178,219 | 110,000 | 115,000 | 120,000 | 125,000 |
| Interest and Other Charges | 146,775 | 139,431 | 131,875 | 124,095 | 78,462 | 85,821 | 77,361 | 68,413 | 64,013 | 59,413 | 54,613 |
| Total Expenditures | 7,061,279 | 7,336,488 | 7,485,520 | 8,002,130 | 7,998,372 | 7,612,495 | 8,001,372 | 8,013,632 | 7,813,458 | 8,417,502 | 8,785,612 |
| Excess (Deficiency) of Revenues | | | | | | | | | | | |
| Over (Under) Expenditures | 257,278 | 194,843 | 192,205 | (118,506) | 152,261 | 243,355 | 96,262 | (288,017) | 225,411 | (64,095) | (330,792) |
| Other Financing Sources (Uses) | | | | | | | | | | | |
| Capital Lease (Non-budgeted) | | | | | | | | | | | |
| Transfers | (25,000) | (30,000) | (25,000) | (25,000) | (25,000) | (25,000) | (60,000) | | (65,000) | (25,000) | (25,000) |
| Total Other Financing Sources (Uses) | (25,000) | (30,000) | (25,000) | (25,000) | (25,000) | (25,000) | (60,000) | | (65,000) | (25,000) | (25,000) |
| Net Change in Fund Balances | \$ 232,278 | \$ 164,843 | \$ 167,205 | \$ (143,506) | \$ 127,261 | \$ 218,355 | \$ 36,262 | \$ (288,017) | \$ 160,411 | \$ (89,095) | \$ (355,792) |
| Debt Service as a Percentage of | | | | | | | | | | | |
| Noncapital Expenditures | 3.9% | 3.7% | 3.6% | 3.3% | 3.2% | 3.4% | 3.2% | 2.2% | 2.3% | 2.1% | 2.0% |

Source: CAFR Schedule B-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year Ended June 30, | Interest on Investments | Tuition Revenue | Transportation Fees | Cumberland Recycling | ERATE | Twp. Custodial Services | Maurice River Twp. Cleaning | Refund of Prior Year Expenditures | Rent | Misc. | Total |
|---|------------------------------------|----------------------------|--------------------------------|---------------------------------|--------------|--|--|--|-------------|--------------|--------------|
| 2014 | \$ 43 | \$ - | \$ 62,805 | | \$ - | | \$ 1,334 | \$ | | \$ (504) | \$ 63,678 |
| 2013 | 52 | 37,669 | 60,644 | | | | | 3,963 | | 6,103 | 108,431 |
| 2012 | 38 | 3,379 | 47,721 | | 2,988 | | | 26,959 | | 11,575 | 92,660 |
| 2011 | 167 | 8,844 | 103,846 | | | | | 74,518 | | 7,394 | 194,769 |
| 2010 | 1,309 | | 181,396 | | | | | 171,633 | | 3,605 | 357,943 |
| 2009 | 12,452 | 49,424 | 164,912 | | | | | | | 1,078 | 227,866 |
| 2008 | 33,298 | 15,900 | 124,467 | | | 1,112 | | 4,858 | | 18,034 | 197,669 |
| 2007 | 54,428 | 34,287 | 129,466 | | | | | 36,461 | 650 | 4,579 | 259,871 |
| 2006 | 39,926 | 37,767 | 114,682 | | | 443 | | 3,694 | 150 | 979 | 197,641 |
| 2005 | 19,580 | 23,499 | 131,795 | | | | | | 6,000 | (3,162) | 177,712 |

Source: District Records

EXHIBIT J-6

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|---|------------------------|--------------------|------------------|--------------|-------------------|-------------------|------------------|-------------------------------------|--|----------------------------------|--|--|
| 2014 | \$ 11,327,000 | \$ 241,760,400 | \$ 6,868,300 | \$ 2,226,800 | \$ 19,025,900 | \$ 18,295,700 | \$ 619,700 | \$ 300,123,800 | \$ 581,495 | \$ 300,705,295 | \$ 0.931 | \$ 309,661,370 * |
| 2013 | 11,645,100 | 239,935,900 | 7,230,700 | 2,235,100 | 19,196,500 | 18,308,000 | 619,700 | 299,171,000 | 887,632 | 300,058,632 | 0.902 | 341,988,283 |
| 2012 | 23,022,700 | 240,934,300 | 6,934,500 | 2,115,900 | 19,506,500 | 7,169,200 | 621,200 | 300,304,300 | 909,270 | 301,213,570 | 0.898 | 343,121,583 |
| 2011 | 23,509,300 | 241,367,100 | 6,331,000 | 1,836,000 | 19,256,200 | 7,188,300 | 621,200 | 300,109,100 | 996,724 | 301,105,824 | 0.877 | 327,354,786 |
| 2010 | 23,872,500 | 241,014,800 | 7,252,200 | 1,789,100 | 19,477,000 | 7,218,300 | 621,200 | 301,245,100 | 1,333,880 | 302,578,980 | 0.866 | 306,915,257 |
| 2009 | 6,992,700 | 115,440,400 | 3,352,400 | 1,813,500 | 8,168,600 | 9,743,700 | 393,200 | 145,904,500 | 626,560 | 146,531,060 | 1.845 | 320,077,239 |
| 2008 | 8,638,400 | 114,414,900 | 3,273,200 | 1,688,000 | 7,923,100 | 7,661,200 | 392,300 | 143,991,100 | 612,587 | 144,603,687 | 1.781 | 295,410,603 |
| 2007 | 9,220,200 | 112,727,000 | 3,302,800 | 1,689,200 | 7,867,400 | 7,331,800 | 391,500 | 142,529,900 | 640,999 | 143,170,899 | 1.750 | 289,689,671 |
| 2006 | 10,184,100 | 110,569,200 | 3,514,300 | 1,689,800 | 6,875,800 | 7,605,500 | 125,100 | 140,563,800 | 734,303 | 141,298,103 | 1.750 | 222,138,692 |
| 2005 | 10,083,700 | 108,735,100 | 4,267,100 | 1,678,400 | 6,201,300 | 7,601,100 | 125,100 | 138,691,800 | 934,997 | 139,626,797 | 1.700 | 216,064,496 |

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

* Estimate

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

| Year Ended June 30, | Maurice River Township Board of Education | | | Overlapping Rates | | |
|---------------------------|--|---|-----------------|------------------------------|----------------------|----------|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Maurice River Township | Cumberland County | Total |
| 2014 | \$ 0.899 | \$ 0.032 | \$ 0.931 | \$ 0.428 | \$ 1.083 | \$ 2.442 |
| 2013 | 0.871 | 0.031 | 0.902 | 0.422 | 1.061 | 2.385 |
| 2012 | 0.867 | 0.031 | 0.898 | 0.385 | 1.083 | 2.366 |
| 2011 | 0.846 | 0.031 | 0.877 | 0.329 | 1.038 | 2.244 |
| 2010 | 0.840 | 0.026 | 0.866 | 0.263 | 0.927 | 2.056 |
| 2009 | 1.705 | 0.075 | 1.780 | 0.412 | 1.961 | 4.153 |
| 2008 | 1.707 | 0.074 | 1.781 | 0.342 | 1.945 | 4.068 |
| 2007 | 1.688 | 0.073 | 1.761 | 0.385 | 1.740 | 3.886 |
| 2006 | 1.670 | 0.077 | 1.747 | 0.420 | 1.466 | 3.633 |
| 2005 | 1.621 | 0.079 | 1.700 | 0.259 | 1.370 | 3.329 |

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2014 | | 2005 | |
|---|------------------------------|--|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Whibco Inc. | \$ 7,694,500 | 2.56% | \$ 4,518,900 | 3.32% |
| US Silica Company | 5,078,800 | 1.69% | 3,411,800 | 2.50% |
| WaWa, Inc. | 2,950,000 | 0.98% | 1,500,000 | 1.10% |
| Mays Landing Sand & Gravel Co., Inc. | 2,742,200 | 0.91% | 2,253,700 | 1.65% |
| Imbesi Family Limited Partnership Agreement | 1,740,700 | 0.58% | 1,021,800 | 0.75% |
| Dom Zanghi & Sons Inc. | 1,217,000 | 0.41% | | |
| Atlantic Mason Supply Inc. | 1,206,500 | 0.40% | | |
| Taxpayer #1 | 1,206,400 | 0.40% | 560,200 | 0.41% |
| Taxpayer #2 | | 0.00% | 528,200 | 0.39% |
| Nicole-Kirstie LLC | 1,128,100 | 0.38% | | |
| Campbell's Country Store, Inc. | | 0.00% | 500,000 | 0.37% |
| New Jersey Lots Inc. | | 0.00% | 499,000 | 0.37% |
| Taxpayer #3 | | 0.00% | 450,000 | 0.33% |
| Kozani LLC | 956,800 | 0.32% | | |
| Total | \$ 25,921,000 | 8.64% | \$ 15,243,600 | 11.19% |

Source: District CAFR & Municipal Tax Assessor

EXHIBIT J-9

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | | Taxes Levied for the Fiscal Year | | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|----------------------------------|----|--|----|---|-----------|---------------------------------------|
| | | | | Amount | % of Levy | |
| 2014 | \$ | 2,704,788 | \$ | 2,704,788 | 100.00% | |
| 2013 | | 2,704,682 | | 2,704,682 | 100.00% | |
| 2012 | | 2,637,700 | | 2,637,700 | 100.00% | |
| 2011 | | 2,620,316 | | 2,620,316 | 100.00% | |
| 2010 | | 2,608,235 | | 2,608,235 | 100.00% | |
| 2009 | | 2,574,317 | | 2,574,317 | 100.00% | |
| 2008 | | 2,519,977 | | 2,519,977 | 100.00% | |
| 2007 | | 2,491,976 | | 2,491,976 | 100.00% | |
| 2006 | | 2,436,743 | | 2,436,743 | 100.00% | |
| 2005 | | 2,277,330 | | 2,277,330 | 100.00% | |

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note:

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-Type Activities | | Percentage of Personal Income ^a | Per Capita ^a |
|----------------------------------|----------------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|-------------------------|
| | General | Bond | | | | | |
| | Obligation Bonds ^b | Capital Leases | Anticipation Notes (BANs) | Capital Leases | Total District | | |
| 2014 | \$ 1,165,000 | \$ | \$ | \$ | \$ 1,165,000 | 0.41% | \$ 154 * |
| 2013 | 1,290,000 | | | | 1,290,000 | 0.46% | 168 |
| 2012 | 1,410,000 | | | | 1,410,000 | 0.47% | 173 |
| 2011 | 1,525,000 | | | | 1,525,000 | 0.56% | 198 |
| 2010 | 1,635,000 | | | | 1,635,000 | 0.59% | 205 |
| 2009 | 1,740,000 | 73,219 | | | 1,813,219 | 0.68% | 226 |
| 2008 | 1,840,000 | 141,979 | | | 1,981,979 | 0.76% | 250 |
| 2007 | 1,884,000 | 206,552 | | | 2,090,552 | 0.85% | 266 |
| 2006 | 1,959,000 | 267,191 | | | 2,226,191 | 0.94% | 283 |
| 2005 | 2,034,000 | 324,137 | | | 2,358,137 | 1.06% | 303 |

* Estimate

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
|----------------------------------|---------------------------------|------------|---|--|----------------------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2014 | \$ 1,165,000 | \$ | \$ 1,165,000 | 0.38% | \$ 154 * |
| 2013 | 1,290,000 | | 1,290,000 | 0.38% | 168 |
| 2012 | 1,410,000 | | 1,410,000 | 0.41% | 173 |
| 2011 | 1,525,000 | | 1,525,000 | 0.47% | 198 |
| 2010 | 1,635,000 | | 1,635,000 | 0.51% | 210 |
| 2009 | 1,740,000 | | 1,740,000 | 0.54% | 212 |
| 2008 | 1,840,000 | | 1,840,000 | 0.62% | 225 |
| 2007 | 1,884,000 | | 1,884,000 | 0.65% | 234 |
| 2006 | 1,959,000 | | 1,959,000 | 0.88% | 244 |
| 2005 | 2,034,000 | | 2,034,000 | 0.94% | 254 |

* Estimate

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|------------------------------------|--|---|
| Debt Repaid with Property Taxes | | | |
| Township of Maurice River | \$ 186,250 | 100% | \$ 186,250 |
| Other Debt | | | |
| County of Cumberland - Township Share | 65,661,474 | 3.5% | 2,316,659 |
| Subtotal, Overlapping Debt | | | 2,502,909 |
| Maurice River Township School District Direct Debt | | | 1,165,000 |
| Total Direct and Overlapping Debt | | | <u>\$ 3,667,909</u> |

Source: Maurice River Township Finance Officer and Cumberland County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Maurice River. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

| | |
|---|----------------------------|
| | Equalized Valuation Basis |
| 2013 | \$ 308,678,291 |
| 2012 | 320,563,941 |
| 2011 | 339,144,649 |
| | <u>[A] \$ 968,386,881</u> |
| Average Equalized Valuation of Taxable Property | [A/3] \$ 322,795,627 |
| Debt Limit (3% of Average Equalization Value) | [B] 9,683,869 ^a |
| Net Bonded School Debt | [C] <u>1,165,000</u> |
| Legal Debt Margin | [B-C] \$ <u>8,518,869</u> |

Fiscal Year Ending June 30,

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Debt Limit | \$ 5,220,935 | \$ 5,770,810 | \$ 6,592,456 | \$ 7,618,507 | \$ 8,581,313 | \$ 9,034,110 | \$ 9,779,214 | \$ 9,658,494 | \$ 9,843,961 | \$ 9,683,869 |
| Total Net Debt Applicable to Limit | 2,034,000 | 1,959,000 | 1,884,000 | 1,799,000 | 1,740,000 | 1,635,000 | 1,525,000 | 1,410,000 | 1,290,000 | 1,165,000 |
| Legal Debt Margin | <u>\$ 3,186,935</u> | <u>\$ 3,811,810</u> | <u>\$ 4,708,456</u> | <u>\$ 5,819,507</u> | <u>\$ 6,841,313</u> | <u>\$ 7,399,110</u> | <u>\$ 8,254,214</u> | <u>\$ 8,248,494</u> | <u>\$ 8,553,961</u> | <u>\$ 8,518,869</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 38.96% | 33.95% | 28.58% | 23.61% | 20.28% | 18.10% | 15.59% | 14.60% | 13.10% | 12.03% |

Source: Abstract of Ratables and District Records

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| Year | | Population ^a | | Personal Income (thousands of dollars) ^b | | Per Capita Personal Income ^c | Unemployment Rate ^d |
|-------------|----|--------------------------------|----|--|----|--|---|
| 2014 | ** | 7,587 | \$ | 282,886,417 | \$ | 37,286 | 10.3% |
| 2013 | | 7,662 | | 282,854,300 | | 36,917 | 10.1% |
| 2012 | | 8,146 | | 297,744,446 | | 36,551 | 11.4% |
| 2011 | | 7,696 | | 273,669,760 | | 35,560 | 10.1% |
| 2010 | | 7,801 | | 269,828,789 | | 34,589 | 8.7% |
| 2009 | | 8,196 | | 273,984,084 | | 33,429 | 8.2% |
| 2008 | | 8,176 | | 267,641,360 | | 32,735 | 4.6% |
| 2007 | | 8,060 | | 251,141,540 | | 31,159 | 3.8% |
| 2006 | | 8,041 | | 241,020,934 | | 29,974 | 4.2% |
| 2005 | | 8,018 | | 229,980,294 | | 28,683 | 4.4% |

** Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

| | 2014 | | 2005 | |
|------------------------|-----------|--------------------------------|-----------|--------------------------------|
| Employer | Employees | Percentage of Total Employment | Employees | Percentage of Total Employment |
| Inspira Health Network | | | | |
| Durand Glass Manuf. | | | | |
| Gerrsheimer Glass | | | | |
| Walmart | | | | |
| ShopRite | | | | |
| WaWa | | | | |
| Elwyn N.J. | | | | |
| Omni Baking | | | | |
| General Mills | | | | |
| Bayada Nurses | | | | |
| | | | | |
| | - | | | |

Source: Cumberland County Department of Planning Info for Cumberland County

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| <u>Function/Program</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction | | | | | | | | | | |
| Regular | | | 30.6 | 30.55 | 29.56 | 30.1 | 25.5 | 25.1 | 25.0 | 27.0 |
| Special Education | | | 8.0 | 6.0 | 5.0 | 5.0 | 4.0 | 7.0 | 6.5 | 7.0 |
| Other Special Education | | | | | | | | | | |
| Vocational | | | | | | | | | | |
| Other Instruction | | | 5.0 | 6.0 | 7.0 | 7.0 | 8.0 | 6.0 | 6.0 | 8.5 |
| Support Services: | | | | | | | | | | |
| Tuition | | | | | | | | | | |
| Student & Instruction Related Services | 2.0 | 2.2 | 8.1 | 8.15 | 6.55 | 6.4 | 4.3 | 5.3 | 4.8 | 5.2 |
| General Administrative Services | 1.2 | 1.2 | 1.3 | 1.3 | 1.5 | 1.3 | 0.8 | 0.8 | 0.8 | 1.4 |
| School Administrative Services | 1.1 | 1.1 | 1.3 | 1.3 | 0.88 | 1.0 | 1.3 | 1.3 | 1.3 | 0.8 |
| Business Administrative Services | 3.8 | 3.4 | 3.1 | 3.1 | 2.95 | 3.25 | 3.30 | 3.30 | 3.80 | 3.80 |
| Plant Operations and Maintenance | 6.2 | 6.2 | 6.5 | 6.5 | 5.0 | 5.0 | 5.0 | 4.5 | 5.0 | 5.1 |
| Pupil Transportation | 7.6 | 7.8 | 7.9 | 7.4 | 7.2 | 7.0 | 6.5 | 4.5 | 4.0 | 5.0 |
| Food Service | 4.0 | 4.0 | 4.0 | 4.0 | 3.5 | 3.5 | 3.5 | 3.5 | 3.0 | 3.5 |
| Total | <u>25.9</u> | <u>25.9</u> | <u>75.8</u> | <u>74.3</u> | <u>69.14</u> | <u>69.55</u> | <u>62.20</u> | <u>61.30</u> | <u>60.20</u> | <u>67.30</u> |

Source: District Personnel Records

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Pupil/ Teacher Ratio Elementary | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|------------------------|-------------------|--|---------------------------|------------------------------|--|--|--|--|---|--|
| 2014 | 423 | \$ 8,710,655 | \$ 20,593 | 3.82% | 34.0 | 19 : 1 | 423.0 | 394.0 | 7.52% | 93.1% |
| 2013 | 433 | 8,410,035 | 19,423 | -2.08% | 31.5 | 22 : 1 | 436.2 | 393.2 | 10.88% | 90.1% |
| 2012 | 393 | 7,795,227 | 19,835 | -6.62% | 32.1 | 21 : 1 | 393.4 | 365.1 | 5.72% | 92.8% |
| 2011 | 367 | 7,667,450 | 21,240 | 8.35% | 29.5 | 20 : 1 | 372.1 | 340.3 | -3.97% | 91.5% |
| 2010 | 389 | 7,625,434 | 19,603 | 6.35% | 35.1 | 18 : 1 | 387.5 | 363.7 | -2.64% | 93.9% |
| 2009 | 395 | 7,280,789 | 18,432 | -5.81% | 39 | 20 : 1 | 398.0 | 375.0 | 0.63% | 94.2% |
| 2008 | 393 | 7,690,789 | 19,569 | 0.75% | 41 | 19 : 1 | 395.5 | 373.8 | 0.79% | 94.5% |
| 2007 | 390 | 7,575,013 | 19,423 | 10.98% | 43 | 19 : 1 | 392.4 | 371.0 | -4.48% | 94.5% |
| 2006 | 406 | 7,105,331 | 17,501 | 1.26% | 39 | 20 : 1 | 410.8 | 386.0 | 0.17% | 94.0% |
| 2005 | 408 | 7,051,285 | 17,283 | 9.55% | 42 | 20 : 1 | 410.1 | 387.4 | -4.43% | 94.5% |

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Maurice River Township Elementary | | | | | | | | | | |
| Square Feet | 62,114 | 62,114 | 62,114 | 62,114 | 62,114 | 62,114 | 62,114 | 62,114 | 62,114 | 62,114 |
| Capacity (students) | 688 | 688 | 688 | 688 | 688 | 688 | 688 | 688 | 688 | 688 |
| Enrollment | 410.1 | 406.0 | 389.0 | 393.0 | 395.0 | 389.0 | 367.0 | 393.0 | 433.0 | 423.0 |
| <u>Other</u> | | | | | | | | | | |
| Administration Building/Maintenance Building | | | | | | | | | | |
| Square Feet | 2,304 | 2,304 | 2,304 | 2,304 | 2,304 | 2,304 | 2,304 | 2,304 | 2,304 | 2,304 |

Number of Schools at June 30, 2014

 Elementary = 1

 Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

| <u>School Facilities</u> | <u>Gross Square Footage</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maurice River Township Elementary School | 62,114 | \$ 30,467 | \$ 25,642 | \$ 34,533 | \$ 26,430 | \$ 30,364 | \$ 32,244 | \$ 24,731 | \$ 18,772 | \$ 16,734 | \$ 32,302 |
| Total School Facilities | | 30,467 | 25,642 | 34,533 | 26,430 | 30,364 | 32,244 | 24,731 | 18,772 | 16,734 | 32,302 |
| Other Facilities | 2,304 | | | | | | | | | | |
| Grand Total | | <u>\$ 30,467</u> | <u>\$ 25,642</u> | <u>\$ 34,533</u> | <u>\$ 26,430</u> | <u>\$ 30,364</u> | <u>\$ 32,244</u> | <u>\$ 24,731</u> | <u>\$ 18,772</u> | <u>\$ 16,734</u> | <u>\$ 32,302</u> |

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
Unaudited

New Jersey School Boards Association Insurance Group

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Commercial Policy | | |
| Property - Blanket Building and Contents | \$ 12,411,516 | \$ 1,000 |
| Comprehensive General Liability | 6,000,000 | |
| Boiler and Machinery | 100,000,000 | 1,000 |
| Comprehensive Automobile Liability | 6,000,000 | 1,000 |
| Comprehensive Crime Theft Coverage | 100,000 | 1,000 |
| Board of Education Legal Liability | 3,000,000 | 5,000 |
| Commercial Inland Marine | 450,000 | 1,000 |
| Workers Compensation: | | |
| Each Accident | 2,000,000 | |
| Disease each employee | 2,000,000 | |
| Disease aggregate | 2,000,000 | |
| Federal Insurance Company | | |
| Workers Compensation Supplemental | Full Salary | |
| Berkley Insurance Company | | |
| Compulsory Student Accident Coverage | 1,000,000 | |
| Markel Insurance Company | | |
| Catastrophic Student Accident Coverage | 5,000,000 | 25,000 |
| Catastrophic Cash Benefit | 500,000 | |
| NJSBAIG | | |
| Treasurer's Bond | 175,000 | |
| The Ohio Casualty Insurance Company | | |
| Business Administrator's Bond | 10,000 | |

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

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Fax (856) 728-2245

September 25, 2014

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Board of Education of the Maurice River Township School District basic financial statements and have issued our report thereon dated September 25, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Maurice River Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any other immaterial matter regarding internal control over financial reporting that we have reported to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 25, 2014.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Maurice River Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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September 25, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

Report on Compliance for Each Major Program

We have audited the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the New Jersey OMB *Circular 04-04* and *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2014. The Maurice River Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the Maurice River Township Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Maurice River Township Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Maurice River Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct material effect on major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Board of Education of the Maurice River Township School District's is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable and state programs. In planning and performing our audit, we considered Maurice River Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies, in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board of Education of Maurice River Township School District, in the County of Cumberland, State of New Jersey, responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned cost. We did not audit the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, responses, and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2013 | | | Cash Received | Budgetary Expenditures | Adjustments | Balance at June 30, 2014 | | |
|--|---------------------------|-------------------------------------|----------------------------------|--------------|----------|--------------------------|---------------------|-------------------|------------------|---------------------------|-------------|--------------------------|---------------------|-------------------|
| | | | | From | To | (Accounts Receivable) | Deferred Revenue | Due to Grantor | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor |
| U.S. Department of Agriculture | | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| Food Distribution Program | 10.565 | N/A | \$11,404 | 7/1/13 | 6/30/14 | | | | \$11,404 | (\$10,982) | | | \$422 | |
| Food Distribution Program | 10.565 | N/A | 10,653 | 7/1/12 | 6/30/13 | | \$893 | | | (893) | | | | |
| School Breakfast Program | 10.553 | N/A | 23,386 | 7/1/13 | 6/30/14 | | | | 17,879 | (23,386) | | (\$5,507) | | |
| School Breakfast Program | 10.553 | N/A | 21,191 | 7/1/12 | 6/30/13 | (\$4,708) | | | 5,076 | | (368) | | | |
| National School Lunch Program | 10.555 | N/A | 63,024 | 7/1/13 | 6/30/14 | | | | 50,310 | (63,024) | | (12,714) | | |
| National School Lunch Program | 10.555 | N/A | 65,582 | 7/1/12 | 6/30/13 | (13,027) | | | 13,071 | | (44) | | | |
| Total U.S. Department of Agriculture | | | | | | (17,735) | 893 | | 97,740 | (98,285) | (412) | (18,221) | 422 | |
| U.S. Department of Education | | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Title I, Part A | 84.010A | NCLB - 3050-14 | 115,039 | 7/1/13 | 6/30/14 | | | | 76,891 | (115,039) | | (38,148) | | |
| Title I, Part A | 84.010A | NCLB - 3050-13 | 94,133 | 9/1/12 | 8/31/13 | (39,607) | | | 39,607 | | | | | |
| I.D.E.A. Part B, Basic Regular | 84.027 | IDEA - 3050-14 | 128,689 | 7/1/13 | 6/30/14 | | | | 83,776 | (128,689) | | (44,913) | | |
| I.D.E.A. Part B, Basic Regular | 84.027 | IDEA - 3050-13 | 128,643 | 9/1/12 | 8/31/13 | (27,816) | | | 27,816 | | | | | |
| I.D.E.A. Part B, Pre-School | 84.173 | IDEA - 3050-14 | 3,391 | 7/1/13 | 6/30/14 | | | | 3,391 | (3,391) | | | | |
| Title II Part A | 84.367A | NCLB - 3050-14 | 24,149 | 7/1/13 | 6/30/14 | | | | 9,486 | (24,149) | | (14,663) | | |
| Title II Part A | 84.367A | NCLB - 3050-13 | 27,494 | 9/1/12 | 8/31/13 | (10,710) | | | 10,710 | | | | | |
| Race To The Top | 84.413A | RTTT-3050-12 | 7,497 | 9/1/11 | 11/30/15 | (7,497) | | | 7,497 | | | | | |
| Small Rural Achievement Program | 84.358A | NCLB - 3050-14 | 16,415 | 7/1/13 | 9/30/14 | | | | 12,010 | (16,415) | | (4,405) | | |
| Small Rural Achievement Program | 84.358A | NCLB - 3050-13 | 12,200 | 9/1/12 | 9/30/13 | (3,442) | | | 3,442 | | | | | |
| Total U.S. Department of Education | | | | | | (89,072) | | | 274,626 | (287,683) | | (102,129) | | |
| Total Federal Financial Assistance | | | | | | (\$106,807) | \$893 | | \$372,366 | (\$385,968) | (\$412) | (\$120,350) | \$422 | |

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From To | | Balance at June 30, 2013 | | | | | | Balance at June 30, 2014 | | | MEMO | | |
|---|-------------------------------|-------------------------|----------------------|---------|--------------------------|------------------|----------------|---------------|------------------------|------------|--------------------------|-------------------------------------|----------------|----------------------|-------------------------------|--|
| | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Cash Received | Budgetary Expenditures | Adjustment | (Accounts Receivable) | Unearned Revenue/ Interfund Payable | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures | |
| | | | | | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | |
| Equalization Aid | 13-495-034-5120-078 | \$3,410,495 | 7/1/12 | 6/30/13 | (\$341,049) | | | \$341,049 | | | | | | | | |
| Equalization Aid | 14-495-034-5120-078 | 3,545,120 | 7/1/13 | 6/30/14 | | | | 3,190,608 | (\$3,545,120) | | (\$354,512) | | * | (\$354,512) | \$3,545,120 | |
| Security Aid | 13-100-034-5120-084 | 91,248 | 7/1/12 | 6/30/13 | (9,125) | | | 9,125 | | | | | | | | |
| Security Aid | 14-100-034-5120-084 | 94,769 | 7/1/13 | 6/30/14 | | | | 85,293 | (94,769) | | (9,476) | | * | (9,476) | 94,769 | |
| Special Education Categorical Aid | 13-495-034-5120-089 | 275,032 | 7/1/12 | 6/30/13 | (16,615) | | | 16,615 | | | | | | | | |
| Special Education Categorical Aid | 14-495-034-5120-089 | 283,265 | 7/1/13 | 6/30/14 | | | | 270,914 | (283,265) | | (12,351) | | * | (12,351) | 283,265 | |
| Transportation Aid | 13-495-034-5120-014 | 294,014 | 7/1/12 | 6/30/13 | (29,401) | | | 29,401 | | | | | | | | |
| Transportation Aid | 14-495-034-5120-014 | 291,732 | 7/1/13 | 6/30/14 | | | | 262,559 | (291,732) | | (29,173) | | * | (29,173) | 291,732 | |
| School Choice | 13-495-034-5120-068 | 429,196 | 7/1/12 | 6/30/13 | (42,920) | | | 42,920 | | | | | | | | |
| School Choice | 14-495-034-5120-068 | 471,768 | 7/1/13 | 6/30/14 | | | | 424,591 | (471,768) | | (47,177) | | * | (47,177) | 471,768 | |
| Adjustment Aid | 13-495-034-5120-085 | 53,126 | 7/1/12 | 6/30/13 | (5,318) | | | 5,318 | | | | | | | | |
| Under Adequacy Aid | 14-495-034-5120-096 | 21,720 | 7/1/13 | 6/30/14 | | | | 19,548 | (21,720) | | (2,172) | | * | (2,172) | 21,720 | |
| Anti-Bullying Award | N/A | 6,546 | 7/1/13 | 6/30/14 | | | | 6,546 | (6,546) | | | | * | | 6,546 | |
| Extraordinary Aid | 13-100-034-5120-473 | 21,983 | 7/1/12 | 6/30/13 | (21,983) | | | 21,983 | | | | | | | | |
| Extraordinary Aid | 14-100-034-5120-473 | 21,173 | 7/1/13 | 6/30/14 | | | | | (21,173) | | (21,173) | | * | | 21,173 | |
| Non-Public Transportation Aid | 14-495-034-5120-014 | 3,894 | 7/1/13 | 6/30/14 | | | | | (3,894) | | (3,894) | | * | | 3,894 | |
| Non-Public Transportation Aid | 13-495-034-5120-014 | 4,859 | 7/1/12 | 6/30/13 | (4,859) | | | 4,859 | | | | | | | | |
| On Behalf TPAF Pension Contribution | 14-495-034-5095-006 | 98,521 | 7/1/13 | 6/30/14 | | | | 98,521 | (98,521) | | | | * | | 98,521 | |
| On Behalf TPAF Post-Retirement Med'l. C | 14-495-034-5095-001 | 161,538 | 7/1/13 | 6/30/14 | | | | 161,538 | (161,538) | | | | * | | 161,538 | |
| Reimbursed TPAF SS Contribution | 13-495-034-5095-002 | 177,205 | 7/1/12 | 6/30/13 | (8,766) | | | 8,766 | | | | | | | | |
| Reimbursed TPAF SS Contribution | 14-495-034-5095-002 | 180,796 | 7/1/13 | 6/30/14 | | | | 171,908 | (180,796) | | (8,888) | | * | | 180,796 | |
| Total General Fund | | | | | (480,036) | | | 5,172,062 | (5,180,842) | | (488,816) | | | (454,861) | 5,180,842 | |
| Special Revenue Fund: | | | | | | | | | | | | | | | | |
| Preschool Education Aid | 14-495-034-5120-086 | 143,025 | 7/1/13 | 6/30/14 | | | | 128,722 | (143,025) | | (14,303) | | * | (14,303) | 143,025 | |
| Preschool Education Aid | 13-495-034-5120-086 | 120,783 | 7/1/12 | 6/30/13 | (12,078) | | | 12,078 | | | | | | | | |
| Total Special Revenue Fund | | | | | (12,078) | | | 140,800 | (143,025) | | (14,303) | | | (14,303) | 143,025 | |
| Debt Service Fund: | | | | | | | | | | | | | | | | |
| Debt Service Aid Type II | 14-495-034-5120-017 | 87,462 | 7/1/13 | 6/30/14 | 87,462 | | | 87,462 | (87,462) | | | | * | | 87,462 | |
| State Department of Agriculture | | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | | |
| State School Lunch Program | 14-100-010-3350-023 | 1,707 | 7/1/13 | 6/30/14 | | | | 1,291 | (1,707) | | (416) | | * | | 1,707 | |
| State School Lunch Program | 13-100-010-3350-023 | 1,809 | 7/1/12 | 6/30/13 | (442) | | | 447 | | (5) | | | | | | |
| Total Enterprise Fund | | | | | (442) | | | 1,738 | (1,707) | (5) | (416) | | | | 1,707 | |
| Total State Financial Assistance | | | | | (\$492,556) | | | \$5,402,062 | (\$5,413,036) | (\$5) | (\$503,535) | | | (\$469,164) | \$5,413,036 | |

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Maurice River School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,433) for the general fund and (\$2,225) for the special revenue fund. See Note 2 [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES FOR SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-------------------------------------|-------------------|---------------------|---------------------|
| General Fund | \$ | \$ 5,170,409 | \$ 5,170,409 |
| Special Revenue Fund | 287,683 | 140,800 | 428,483 |
| Debt Service | | 87,462 | 87,462 |
| Food Service Fund | <u>98,285</u> | <u>1,707</u> | <u>99,992</u> |
| Total Awards & Financial Assistance | \$ <u>385,968</u> | \$ <u>5,400,378</u> | \$ <u>5,786,346</u> |

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Maurice River School District had no loan balances outstanding at June 30, 2014.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were immaterial Grant Fund adjustments required to be shown in the "Adjustments" column on Schedule A in the amount of \$412 and \$5 on Schedule B.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes _____ X no
2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic financial statements noted? _____ yes _____ X no

Federal Awards N/A

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ no
2) Significant deficiencies identified? _____ yes _____ no

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ no

CFDA Number(s)

Name of Federal Program or Cluster

**NO MAJOR FEDERAL
PROGRAMS**

Dollar threshold used to distinguish between Type A and type B programs: N/A

Auditee qualified as low-risk auditee? _____ X yes _____ no

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that
are not considered to be material Yes X none
weaknesses? reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with NJOMB
Circular Letter 04-04 yes X no

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|-----------------------------------|
| 14-495-034-5120-078 | Equalization Aid |
| 14-495-034-5120-089 | Special Education Categorical Aid |
| 14-495-034-5120-084 | Security Aid |
| 14-495-034-5120-068 | School Choice Aid |

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II - Financial Statement Findings

Finding: None

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs
(continued)**

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular, A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

There were no material prior year findings.